

Anti-Beduin arson

Page 4



Pressure on Nissim to keep surtax on income

BY AVI TEMKIN

Pressure mounted yesterday on Finance Minister Moshe Nissim to maintain for at least another year the 10 per cent surtax on monthly income over NIS 8,000.

The cabinet has not yet approved his budget proposal, despite the many concessions he has already made to some ministers. Because of the opposition within the cabinet to the proposal, Prime Minister Shamir yesterday delayed once again the vote on the issue.

Vice Premier Peres yesterday told a radio interviewer that he favoured prolonging the surtax for another year, saying it could bring in some NIS 55 million in revenue. The surtax has been in effect since April.

But Nissim opposes prolongation. He believes that the surtax would earn far less than NIS 55m. He said the surtax would also encourage top-income earners to look for loopholes, thereby reducing the tax's value.

Peres has been trying since the end of last week to bridge the gap between Nissim and the education and health ministers, Yitzhak Navon and Shoshana Arbell-Almosino, over their ministries' budgets. Peres and Nissim met with Navon and Arbell-Almosino before yesterday's cabinet meeting, but could not get them to drop their opposition, despite Nissim's withdrawal of his plan to introduce tuition fees for secondary education and to collect payment for hospitalization and for visits to doctors.

The Labour Party ministers have said they would not support the budget proposal unless records were reached with Navon and Arbell-Almosino.

On Friday, Peres persuaded Agriculture Minister Arye Nehama to support Nissim's proposal after being promised that the Treasury would come to the aid of financially strapped ministries.

Furthermore, Industry and Trade Minister Ariel Sharon, Labour Minister Moshe Katsav, Housing Minister David Levy and Minister-without-Portfolio Yitzhak Moda'i have announced they will not support the budget proposal.

Judy Siegel adds:

The Health Ministry yesterday received 15 telegrams from government-hospital administrators, warning that supplies of medicines, medical equipment and heating fuel were very low. Most of the hospitals yesterday stopped heating wards, except those for intensive care cases and newborn babies, the ministry said.

The ministry says that if it does not get NIS 23m for its current budget which it claims the Treasury owes it for operating expenses, the crisis in the hospitals will worsen.

Jeff Black adds:

Histadrut Secretary-General Yisrael Kessar yesterday came out strongly in support of Arbell-Almosino. Speaking at the labour federation's central committee meeting, Kessar reiterated the Histadrut's opposition to introducing user-charges in the health system.



Youths arrested after the recent unrest in the territories are brought to trial in Nablus yesterday. (AFP)

'Quick justice' at Nablus court

By YEHUDA LITANI

It all started with a stray cat. At the Nablus Military Court yesterday morning, after the clerk called out, "All rise," a fat alley cat walked in front of the bench and began to miaow. The judge, Sgan Aluf Yehoshua Levy, ordered soldiers in the courtroom to shoo the cat out.

Instead of running out, though, the cat ran between the legs of the defendants - 34 young Palestinians charged with taking part in the recent riots in the West Bank.

Some of them had already been detained for two and a half weeks, and welcomed the first comic relief since their arrests.

Outside, it was raining. There was no electricity in the court, and the room was dreary in the gray light that came through the windows. The furniture was worn and scratched. In the defendant's box, the wood was covered with graffiti. The court stenographer, indifferent to the proceedings, slumped in her chair,

chewed gum, and blew bubbles.

The defendants had looked frightened when they were brought in from Farah prison by soldiers, but the alley cat got them to smile for the first - and last - time during the proceedings. After five minutes, the soldiers succeeded in chasing out the disrespectful intruder, and the court session got under way.

Half a dozen defence attorneys, some Israeli Arabs and some from Nablus, rushed in and out while the military prosecutor and his assistant tried to sort out their metre-high stack of files.

Most of the defendants were teenagers. A few had already been brought before Levy last week for the reading of their charge sheets. But yesterday was the first time so many had been brought to court at one time for what a senior officer called "quick justice."

Most of the cases were postponed until later this week after the defence attorneys argued that they had not had time to examine their clients' files. Other trials were postponed because witnesses - soldiers and policemen - failed to appear.

Because of the delays, the prosecutor, a first lieutenant, asked to extend the remand of some defendants. The defence attorneys seemed resigned to the remand extensions, and did not argue against them.

The attorneys had only one or two clients each when the day began. They signed up new ones during the session, almost like taxi drivers grabbing passengers. The judge would ask a defendant who his counsel was, and the youngest would point at a lawyer at random.

In a few cases, after the defendant picked an attorney, there would be whispering among the lawyers. The lawyer who had been picked would say to the judge, "Excuse me, I've been told the defendant's family wants another counsel, who isn't present." And again, the hearing

(Continued on Page Seven)

'Mitzna seems to be lashing out blindly'

ANALYSIS
Hirsh Goodman

OC Central Command Amram Mitzna's decision to suspend a lieutenant who unlawfully wounded two West Bank residents during last week's riots has been described in some defence circles as unwise, untimely, and, as one senior official said yesterday, "a cheap attempt to pass the buck."

The official continued: "At any other time, Mitzna's decision would have been laudable. But coming as it did after our forces, many of them under Mitzna's command, killed 21 people and injured over 180 more, it seems almost ludicrous."

Or, as one officer said, "it's the Shin Gimmel syndrome again" - a reference to the army's initial at-

tempt to blame a camp guard for last month's hang-glider attack on a Nablus base near Kiryat Shmona in which six soldiers were killed.

Many of those interviewed yesterday felt that Mitzna's decision on Friday, coming as it did before any comprehensive internal review of the IDF's conduct during the two weeks of rioting, was counter-productive. It would be interpreted, they said, as an attempt at a whitewash.

One source called it "impetuous," and likened it to Mitzna's unprecedented action last Thursday in ordering the arrest of Army Radio's correspondent in the territories, Zohar Melamed: "Both the lieutenant and the reporter may have deserved the treatment they received. But, from the outside, it seems as if he [Mitzna] has lost control and is lashing out blindly."

"He first arrests a journalist [see story, page 4], which seems like he is trying to cover up, and then he charges a subordinate, which looks like he is passing the buck. He would have done well to have waited for an appropriate time, after a

(Continued on Page 2, Col. 3)

Palestinians will fight deportations in the courts

By ELAINE RUTH FLETCHER

Jerusalem Post Reporter

Palestinians served with expulsion orders will exhaust every avenue of appeal before leaving the country, prominent West Bank and Gaza lawyers said yesterday.

The tactic is obviously designed to wring the maximum price from the government in procedural wrangling and negative publicity should authorities resort to expulsions in response to recent unrest in the territories.

In the past, Palestinians ordered out of the country have been reluctant to take their cases all the way to the High Court of Justice for a number of reasons.

An army officer who opened fire in Samaria, wounding two Palestinians when there was no immediate risk to his or any other soldier's life, was relieved of his command yesterday pending investigations by military police, military sources said.

Currently, 1,035 Palestinians are being detained on the West Bank, military sources confirmed yesterday in a briefing to reporters. About 600 of the detainees were arrested since last Monday, when large-scale security sweeps began.

Another 350 Palestinians are being held in Gaza, the lawyers for the detainees claimed at their press conference.

Some 1,200 West Bank schools opened without incident yesterday, the sources said.

Military sources also confirmed that three new military courts in Hebron, Tulikarm and Ramallah had been opened to handle the overwhelming caseload of security detainees, who are usually tried in the Nablus court.

But the sources denied Palestinian contentions that prisoners were being kept in subhuman conditions, denied legal rights and subjected to summary trials amid the avalanche of arrests.

"All the normal standards are in force during this period," said the sources. "The norms of prison conditions are the same. Requests for more blankets and cigarettes are being taken care of immediately."

(Continued on Page 2, Col. 6)

Authorities split on moves to deport activists

By MENACHEM SHALEV

and ASHER WALLFISH

Jerusalem Post Reporters

Political leaders and defence officials are divided on whether to go ahead with the planned deportation of Palestinian activists, and appear to be hesitating on the scope and timing of the move.

Although the diplomatic, political, and security ramifications are causing concern, a senior security source predicted last night that a limited number of activists will eventually be deported.

In conversations with top Israeli officials during the past few days, U.S. diplomats have expressed concern and reservations about the reported plan to expel Palestinian leaders. U.S. Ambassador Thomas Pickering is expected to meet with Defence Minister Yitzhak Rabin today or tomorrow and to caution him against the move.

The issue of possible deportation of Arab inciters did not come up at yesterday's cabinet meeting, but it is expected to be brought up later in the week when the inner cabinet

resumes its study of the riots in the areas and in Israel.

But Rabin did suggest at the cabinet session that "Arab blood would not have been shed in the riots to such a degree, had measures been taken in time to deport the key inciters."

Chief of General Staff Dan Shomron told the cabinet that the current level of forces in the areas would have to be maintained "for a considerable time."

The State Department is expected to react today to reports of the planned deportations, following the long Christmas weekend. Sunday papers in the U.S. reported widely and negatively on the planned move.

Well-placed sources in Jerusalem said they feared that Jordan would be "acutely embarrassed" should the deportees be sent there.

The sources said there was also concern that such a move could prove to be the "straw that breaks Egypt's back," compelling it to take some tangible action against Israel (see story below). Egyptian Ambassador Mohammed Bassiouny raised the matter yesterday in a meeting

(Continued on Page 2, Col. 4)

MK Darousha reports after meeting Egyptian President:

Mubarak hints at open rift if Israel persists in areas policy

By DAVID RUDGE

Jerusalem Post Reporter

NAZARETH - Egyptian President Hosni Mubarak has strongly hinted at a further cooling of relations with Israel - if not an open rift - if the Israeli government persists in its hardline policy of shootings, mass arrests and deportations to quell the unrest in the territories.

The message was conveyed in talks with Labour MK Abd-el Wahab Darousha who returned home yesterday after a visit to Egypt where he met with Mubarak.

"The president is under intense pressure from the public, the Egyptian parliament, religious groups and students, as well as other Arab countries, to cut diplomatic ties with Israel," said Darousha, who met Mubarak last Wednesday for an hour.

Mubarak has so far resisted the demands, saying that severing relations would be counter-productive to Egypt's overall strategy of trying to achieve a negotiated peace settlement to the Middle East conflict and

(Continued on Page Four)

Death toll reaches 63 in violence following Tamil leader's death

MADRAS (AP) - The death toll from suicides and mob violence by supporters grieving the death of India's top Tamil leader has reached 63, a police source said yesterday.

Marudur Gopalan Ramachandran, chief minister of Tamil Nadu state, died of cardiac arrest Thursday at the age of 70. His death set off riots last week. Police opened

fire on Thursday and again on Friday, the day of Ramachandran's funeral, as unruly mobs roamed the streets.

A police source said 31 people committed suicide, police killed 10 people, and 22 died in clashes between supporters of Ramachandran's Anna Dravida Munnetra

Kazhagan party and the rival Dravida Munnetra Kazhagan party. The source said Tamil Nadu was reported calm yesterday.

He said the death toll climbed from the 18 reported on Friday after reports came in from throughout Tamil Nadu state as well as from the state capital, Madras. Ramachandran had a career as a

popular movie actor until 1977 when he was elected chief minister. Suicides after the deaths of leaders are not uncommon in Tamil Nadu. The police source said those who committed suicide used self-immolation or took poison. He said the clashes between the rival parties occurred in Madras and in several other cities and towns.

Afghan rebels vow defiance on 8th anniversary of war

PESHAWAR, Pakistan (Reuters) - Afghan rebels called for direct talks with Moscow yesterday as thousands of exiles in the Kremlin roared their defiance of the Kremlin.

At a rally outside Peshawar marking the eighth anniversary of the Soviet military intervention, leaders of the main rebel alliance demanded an unconditional, immediate Soviet withdrawal.

The Soviet-backed Afghan government said meanwhile that a prolonged rebel siege of the eastern border town of Khost had been broken following a major military offensive.

The announcement, by Tribal Affairs Minister Suleiman Laeq, was broadcast yesterday by the official Kabul Radio and monitored in Islamabad. It quoted him as saying the road between Gardez, the Pakhtia province capital, and Khost, near the Pakistan border, was now open for traffic and its security had been ensured.

Some 20,000-25,000 Afghans at the Peshawar rally chanted "Al-lahu Akbar" (God is Great) and

"Down with the Russians," as rebel alliance chairman Mohammad Younus Khalis read out a joint resolution. It said the Soviet Union had taken no practical steps to withdraw its troops, estimated by the West at some 115,000.

"The alliance is ready to seriously consider a Russian proposal for direct talks with the Mujahideen," it said. But it added that the Western-backed rebels were prepared to continue their armed struggle until the Soviet forces left and Afghanistan's other rights were restored.

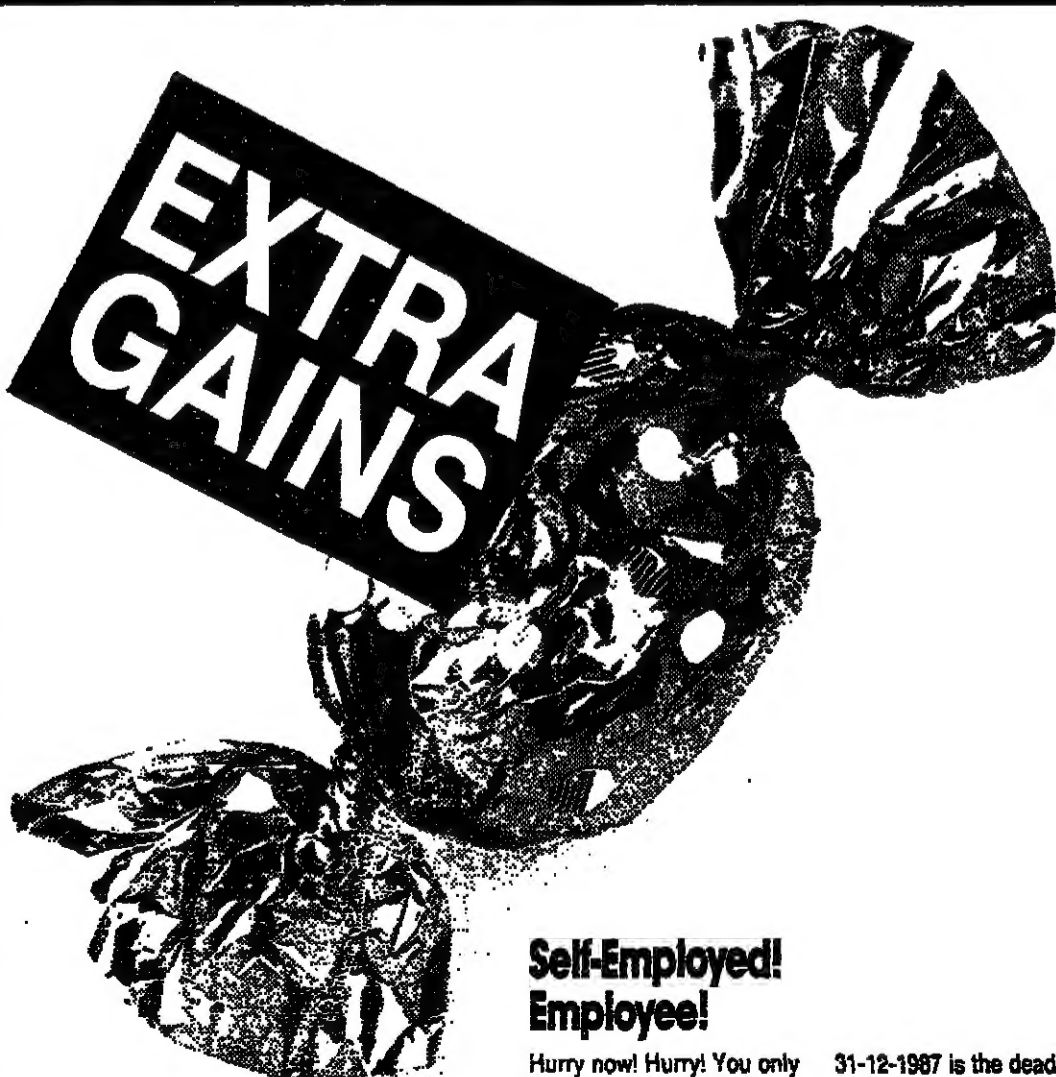
The anniversary was marked by demonstrations and marches in several cities in Pakistan.

Police in Islamabad stopped a group of 150 women and children who tried to hold a demonstration outside the Soviet Embassy. One woman tried to commit suicide by setting fire to herself. An eyewitness said she poured petrol over her clothes but security officials grabbed the bottle from her and prevented her striking a light.



Afghani children at a refugee tent village near Karachi march at a rally yesterday. (AFP)

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CHICAGO	1	34	51
COPENHAGEN	4	39	56
FRANKFURT	1	30	11
GENEVA	1	30	49
HELSINKI	18	0	27
HONG KONG	14	18	56
JERUSALEM	18	0	24
LONDON	10	50	61
MADRID	4	39	46
MONTREAL	7	45	17
NEW YORK	3	30	46
OSLO	3	28	1
PARIS	3	37	9
RIO DE JANEIRO	10	54	28
SAO PAULO	17	62	77
STOCKHOLM	-1	22	32
TOKYO	3	27	10
TORONTO	-1	30	43
ZURICH	1	34	7

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THE WEATHER

FORECAST: Light rain in morning in north, becoming partly cloudy. Low temperatures expected.

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Max
Jerusalem	84	3-11	13
Golan	86	6-9	10
Nahariya	60	6-14	15
Safed	86	4-6	8
Haifa Port	66	10-13	15
Tiberias	80	10-15	16
Nazareth	84	7-10	11
Afula	81	8-14	15
Shomron	80	6-12	14
Tel Aviv	87	9-15	17
B-G Airport	84	6-14	16
Jericho	61	10-19	21
Gaza	72	10-17	19
Beer Sheva	67	6-14	16
Elat	41	11-18	18

SOCIAL & PERSONAL

Prime Minister of Dominica, Mary Eugenia Charles, yesterday visited the Weizmann Institute of Science, where she was received by its Deputy President, Prof. Shmuel Shatfeli.

In Memoriam

GILA HABER (nee Noll) - A memorial service on the second anniversary of her death will take place at 2:30 p.m. tomorrow, December 29, at the Nahlat Yitzhak cemetery in Tel Aviv.

Jerusalem rejects proposal for Jews to live in all city areas

By ANDY COURT
Jerusalem Post Reporter
The Jerusalem City Council last night narrowly defeated a proposal by Likud councillor Shlomo Halevy supporting Jewish settlement in all parts of the city as the best way to secure peace and maintain security. After a lengthy debate over the recent disturbances in the city, the council rejected Halevy's resolution by a 15-11 vote. Instead, the council adopted a One Jerusalem faction resolution calling for more government aid to help the city narrow the gap between services provided to Jerusalem's Jewish and Arab residents. The resolution also called on the American government to retract the warning it issued about the dangers of visiting East Jerusalem. The main points of contention in last night's debate were Jewish settlement in predominantly Arab areas of the city and the extent to which improved services would improve Jewish-Arab relations. "The hatred of the Arabs has

HOME AND FOREIGN NEWS

SECOND EDITION

Monday, December 28, 1987 The Jerusalem Post Page Two

Cabinet assesses rioting by Israeli Arabs during 'Peace Day' strike

By ASHER WALLFISH
Jerusalem Post Reporter

Only a small fraction of the towns where Israeli Arabs live were hit by violence during last week's "Peace Day" strike, Police Minister Haim Bar-Lev told the cabinet yesterday.

Speaking during the cabinet discussion of the rioting by Israeli Arabs, Bar-Lev said that out of a total of 81 localities in Israel inhabited entirely or in part by Moslem Arabs, only six were affected by disturbances.

Of the six, the minister said, two were special cases, Jaffa and Shfaram. In Jaffa, the disturbances were sparked by Arab criminal elements trying to settle scores with the police. In Shfaram, violence was sparked by provocation by Kach party extremists who burst into the town's ancient synagogue. The picture was serious in Nazareth, Umm el-Fahm, Arara, and Lod, he said. Police Inspector-General Rav-Nitzav David Kraus told the cabinet that the police had orders to avoid a confrontation unless rioting actually began. They used no firearms.

Twenty-three policemen were injured, he said.

Bar-Lev said that in 29 more Arab localities, there were disturbances of a minor, sporadic nature. Everywhere else, he said, the strike was in effect, but law and order were not violated.

Deputy Minister Ronni Milo, who is responsible for Israeli Arab affairs, took part in the discussion but did not submit his recommendations for policy on Israeli Arabs. He did raise his idea of severing official contact with the national committee of Arab local authorities, which had called and organized the "Peace Day" strike last Monday. Some ministers backed him in this proposal, saying that the committee was engaged in political rather than municipal issues.

Minister-without-Portfolio Ezer Weizman, who had responsibility for Arab affairs before Milo, responded that the committee of the Jewish settlements in Judea and Samaria was also engaged in political activity, and hence should also be boycotted. Minister-without-Portfolio Yosef

Shapira (National Religious Party), who is closely associated with the Jewish settlement body, said he had always urged it to stick to development and construction projects and leave politics to the parties.

Shapira said that while strong measures were essential to restore order in the Israeli Arab sector, it was a fact that the sector had sub-standard services, which required urgent improvement. "Money will not satisfy national aspirations, where they rankle, but it will remove some of the causes of frustration," he said.

Industry and Trade Minister Ariel Sharon said that the Arabs of Israel could not expect to be granted equal rights if they shirked equal duties.

Education Minister Yitzhak Navon said that while he expected every Israeli Arab to show respect for the national flag, he understood it was "difficult" for them to sing the national anthem, "Hatikva," in view of the words about the "Jewish soul."

Shamir said there was no need to formally withdraw recognition from the national committee of Arab local authorities, since it never enjoyed official recognition. There would be full cooperation with mayors of Arab localities individually, concerning municipal affairs, Shamir said, and policy towards the Arab sector would not be changed.

Shapira, a strong advocate of large-scale deportation of Palestinians who incited violent demonstrations in the territories or took part in them, told *The Post* last night: "To be realistic, the number of deportations will not rise dramatically unless the law is changed to obviate appeals to the High Court. I know of no plans to change the law at this point, nor do I see a majority for such a change. So what you hear about the prospect of large-scale deportations is just idle talk."

Prime Minister Shamir asked his colleagues to say nothing to the me-

B-G University students want 'pro-PLO' peers expelled

By BRADLEY BURSTON
Jerusalem Post Reporter

BEERSHEBA - A group of Jewish students at Ben-Gurion University yesterday called on the institution to expel Arab students engaging in "PLO-oriented activities" on campus, and referred specifically to a demonstration held last week during the nationwide strike in the Arab community.

The call was made at a rally held off campus, which attracted about 50 students, most of them associated with the Jewish group, the Judea Cell.

The rally's organizers claim that determining who is to be expelled "should not be difficult for campus security officers."

University rector Avraham Tamir said that no complaints had been made to the university concerning on-campus political activities. "But if complaints are made, we will certainly deal with them."



Israel's Asaf Barnea (left) fails to stop Yugoslavia's Drazen Petrovic (centre) in yesterday's final of the Christmas basketball tournament in Paris. Petrovic gets support from teammate Toni Kukoc. The Yugoslavs won the game, 115-88. (Reuters)

UJA leader: 'We feel safer in Israel'

By CHARLES HOFFMAN
Jerusalem Post Reporter

"We feel safer here in Israel than we do on the streets of Chicago," Mort Kessel, the leader of a United Jewish Appeal mission from Chicago told *The Jerusalem Post* yesterday.

He was responding to the past president of the Chicago Jewish Federation, Richard Wexler, who was quoted in *The Post* yesterday about the reaction of American Jews to the recent unrest in the territories. Wexler said that "one of our federation missions is in Israel right now, and we are concerned for their security."

"Actually," said Larry Cohen, one of the mission participants, "we are concerned about the safety of our people back in Chicago. We travelled through the West Bank today with no problems, and ate a peaceful lunch in Jericho the other day."

Cohen, who brought his three children along on the mission, added that "all of us are shocked that Wexler could say such a thing."

The director of UJA operations in Israel, Naftali Lavie, said that "no missions have been cancelled, and there have not even been any individuals dropping out. People upset by what they saw on television have called us to ask about security, but we have assured them that there are no problems."

In a related matter, the Department of Education and Culture of the World Zionist Organization said yesterday that none of the 150 teenagers scheduled to come for a "winter vacation Bible camp" had dropped out. But the department noted that the trips planned in the Hebron area to follow "in the footsteps of the Patriarchs" had been cancelled.

MITZNA

(Continued from Page One)

thorough investigation, before acting in a manner that can only be misinterpreted.

"The main topic of conversation here today was not Mitzna's success in capturing the three terrorists who penetrated the Jordanian border on Saturday, but his decision to try the officer," he concluded.

Some felt that Mitzna's decision could lead to a public debate on the issue of responsibility, which the army would prefer to avoid, having just "survived" public criticism over the Nablus base attack.

Clearly, there are many questions to be answered:

- Why was the army, despite 20 years of experience, not equipped with rudimentary riot-control equipment?
- Why were small forces initially sent into life-threatening situations against violent mobs, necessitating the use of lethal weapons?
- Why did it take so long before responsibility for the situation was divided more equitably among senior officers, guaranteeing better control of the rank and file?
- Why don't soldiers ever get riot-control training?
- Why were army educators and psychologists not dispatched to units to try to help troops who had to fight civilians?

These are all questions better answered by the General Staff and Mitzna than by the lieutenant suspended on Friday.

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Arens: U.S. reports on unrest created 'information crisis'

By MENACHEM SHALEV
Jerusalem Post Reporter

"The American public cannot grasp what is going on here from what it sees on television," former minister-without-portfolio Moshe Arens said last night on his return from a two-week visit to the U.S.

Arens said that the nightly television images of disturbances in the territories created an "information crisis" similar to that which he encountered while serving as ambassador to Washington during the Lebanon war.

"The television cameras naturally seek the most dramatic scenes, and not pictures of the Foreign Ministry," he said. But in addition to the natural limitations of the medium, Arens said, some of the coverage - as in Lebanon - was obviously tainted by a "perverse pleasure that the Jews are having such troubles, that they are cast in the role of oppressors."

Israel's representatives in the U.S. have their work cut out for them, he said, because the television images create an impression of quiet demonstrators being attacked by soldiers with rifles and live ammunition. "One cannot see on television that the soldiers would be in great danger if they did not defend themselves."

The accusation was made by Likud MK Michael Eitan, who paid a surprise visit to Histadrut headquarters yesterday afternoon to protest against the labour federation central committee's decision to increase union involvement in the Israeli Arab sector.

Kessar rejects vote-buying charge

By JEFF BLACK
For The Jerusalem Post

TEL AVIV - Histadrut Secretary-General Yisrael Kessar has angrily rejected Likud charges that he is trying to buy the votes of Israeli Arabs for next year's general election.

The accusation was made by Likud MK Michael Eitan, who paid a surprise visit to Histadrut headquarters yesterday afternoon to protest against the labour federation central committee's decision to increase union involvement in the Israeli Arab sector.

DEPORT

(Continued from Page One)

with Foreign Ministry Director-General Avraham Tamir. According to one school of thought the deportees should be sent to South Lebanon in order to reduce the impact of an expulsion to Jordan.

Government officials said yesterday that the decision on deportations will be made by the IDF, but Rabin is expected to raise the matter in a meeting of the inner cabinet.

Another school of thought holds that a decision to deport will unnecessarily antagonize the inhabitants of the West Bank and Gaza, especially since Fatah Day falls on Friday, often a volatile day following prayers in the mosques.

The supporters of the move say that the West Bank and Gaza will only settle down after "shock treatment," and that the most effective deterrent to further unrest is deportation. They say that although the riots in the territories started out as

Tel Aviv cash heist nets NIS 410,000

By JONATHAN KARP
For The Jerusalem Post

TEL AVIV - Two masked men with automatic weapons ambushed three employees of a company that services automatic banking machines yesterday and made off with NIS 410,000 in cash.

The hold-up took place at approximately 9 a.m. on a darkened, lower level of the Kikar garage beneath the Clal building in central Tel Aviv, a police spokeswoman said.

The employees of the Automated Banking Services Ltd. carried sacks of money from the company's seventh-floor office to a van. Two of them, who were armed, got inside the van, and the third, who was unarmed, was about to close the door when masked men approached and demanded that they drop their weapons.

A garage worker at the scene said that one of the robbers was carrying an Uzi sub-machinegun and the other had what looked like an M-16. "The employees threw down their weapons, handed over the sacks of money, and the men fled. It was very quick," he told *Army Radio*. The suspects climbed into a waiting car and sped out of the garage. Police said that the getaway car, a

green Suzuki, had been stolen in Netanya on December 13.

ABS general manager Gidon Milvitsky defended his company, which services hundreds of automatic banking machines in the area.

"Even if the car had been armed like a Brinks vehicle, this would not have prevented the robbery," he told *lim*. "As to the argument that my men were busy loading the money and not guarding it, I ask, 'Would it have been better if it had developed into a shoot-out battle and they would have been injured or killed?'"

He added that ABS will investigate its employees' actions during the incident, and that if they are found to have performed according to regulations, they will be allowed to keep their jobs. In another incident, a diamond merchant was considerably luckier yesterday when two masked men grabbed him as he stepped out of an elevator near his Ramat Gan polishing workshop. The men forced Edward Levy into his workshop at around 6:30 a.m., but the telephone began to ring and the men fled without stealing anything, police said.

A police spokeswoman said there was no apparent connection between the two incidents.

What's in a play? - cabinet steps into anniversary controversy

By ASHER WALLFISH
Jerusalem Post Reporter

Two of the five plays to be staged under official auspices during next year's 40th-anniversary celebrations have stirred up so much controversy in the anniversary-planning committee that the issue came up at yesterday's cabinet meeting. No decision was taken.

A total of NIS 17 million has been budgeted for the festivities, which include over 70 events spread over many months in different parts of the country.

A play by Yehoshua Sobol, *The Jerusalem Syndrome*, is scheduled for staging, but Sobol is one of Israel's more controversial dramatists.

Transport Minister Haim Corio (Likud) said yesterday that "our 40th anniversary doesn't need that sort of play."

Cabinet Secretary Elyakim Rubinstein said that a second work was also controversial, but he refused to identify it.

The consensus in the cabinet was that every member of the planning committee should be asked to read the Sobol work before the committee decides whether it should be presented.

More than half of the total celebration budget is to be spent on two events in the Tel Aviv area: an IDF display and an exhibition of achievements during the past 40 years.

WILL FIGHT

(Continued from Page One)

Timetables for family visits and investigative procedures are as usual. "Court procedures are the same," the sources said. "No rights of the accused have been undermined."

But the sources added that it was "legitimate for us to grieve the prosecution to ask for lighter sentences" because of the current circumstances.

The sources said that one or two children between the ages of 12 and 14 were being held for serious offences, but only with the special approval of the legal adviser in the territories. Most of the detainees were between the ages of 17 and 27.

"There are few above 30 or below the age of 17," the military sources added, contradicting the claims of Palestinians that many youths are being held. The sources added that no girls had been detained.

West Bank detainees are being kept at three locations - Prison Six in Adit; Dahariya, south of Hebron; and Farah prison near Nablus.

West Bank and Gaza attorneys told the press conference that detainees were being crowded into tents because of the lack of space in regular prisons, and that they are being beaten, humiliated, denied medical treatment and, in certain cases, prompt access to lawyers. Military sources denied all the charges.

"I had three clients held incommunicado for 10 days," said attorney Felicia Langer. Gaza attorneys told the press conference they would continue their

one-week strike into another week to protest against new courtroom procedures being used in the security trials.

"We don't feel we can defend the people being held in [Gaza's] 'Ansar 2' prison," said Mohammed Abu Shaaban.

He complained that unusually stiff fines were being imposed on the detainees who had been given suspended sentences, meaning that the "punishment no longer applies just to the prisoner himself but includes his parents and family."

Langer noted that she had filed an appeal to the High Court of Justice on behalf of eight Gaza prisoners to bring attention to the trial procedures and conditions of the detainees.

Attorney Lea Tsemel said that West Bank lawyers had also discussed the possibility of holding a strike to protest against military court procedures.

Mubarak Awad, the Palestinian advocate of non-violence, appeared at the press conference and said he expected authorities to carry out their intention to deport him "sooner or later" because they haven't initiated procedures to allow him to stay in the country legally.

But Awad said that he thought the unrest on the West Bank and in Gaza "was only the first eruption of a volcano; and the second will be larger and more violent. I'm afraid."

He said that recent unrest was "great" because it signalled the start of a "civil disobedience campaign."

In deep sorrow, we announce the passing of our dear

Rabbanit MARTHA GRUENEWALD

nee Neberzhahl of London

The funeral will take place today, Monday, December 28, 1987

(7 Tevet 5748) at the Sanhedria Cemetery, Jerusalem, at 12 noon.

Shiva at the Neberzhahl residence, 9 Batel Mahse Street, Old City, Jerusalem. Prayers at 7:00 a.m. and 4:15 p.m.

Please time condolence visits between 9:00 a.m. and 1:00 p.m., or 4:00 and 8:00 p.m.

Husband: Rabbi H.J. Gruenewald

Sons: Rabbi Yaacov Gruenewald, Alan Greenwood, Rabbi Joseph Gruenewald

The Neberzhahl, Fineas and Wagner Families

We deeply mourn the death of our beloved father and grandfather

YEHOSHUA BEN ESTHER

(Sam Goldberger)

on Friday, December 25, 1987.

Esther and Yehuda Ben-Yaacov and children

The Monsa, Sofer, Tzadka, Zangi and Levi Families

Shiva will be held in St. Paul, Minnesota.

To Aharon Leibovitch

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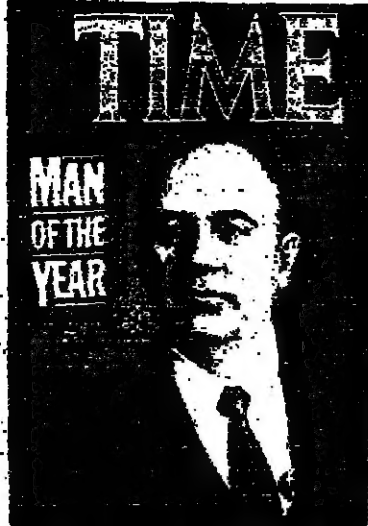
Mother

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המנוגות המאוחדות לישראל קרן היםוד United Israel Appeal Keren Hayesod



Mikhail Gorbachev as Time's 'man of the year.' (Reuters)

Gorbachev makes Time

NEW YORK (AP) - Soviet leader Mikhail Gorbachev, whose summit meeting with President Reagan raised hopes for an easing of Soviet-American tensions, was named Time magazine's 'man of the year' on Saturday.

Gorbachev, 56, is the fourth Soviet leader to appear on the cover of Time's 'man of the year' issue and the first to appear since Nikita Khrushchev in 1957.

He was selected over such runners-up as Marine Lt. Col. Oliver North, the star witness of the Iran-Contra hearings last summer, and Costa Rican President Oscar Arias Sanchez, who was awarded the Nobel Peace Prize for his attempts to forge a peace agreement in Central America.

Time said it also considered two events as 'man of the year': the Oct. 19 stock market collapse and the AIDS epidemic.

In naming Gorbachev as its 61st annual 'man of the year,' Time described him as "a dedicated Communist and a ruthless political opportunist" who in the past year became a "symbol of hope for a new kind of Soviet Union: more open, more concerned with the welfare of its citizens and less with the spread of its ideology and system abroad."

The magazine describes Gorbachev's education and unexpected rise to power, saying that his original career choice - law - was an unusual one for a budding politician, and that the young Gorbachev was "a true believer among cynical careerists."

"Perhaps his most obvious achievement is that he has reinvented the idea of a Soviet leader," Time said. "Virtually everything about his country and its place in world affairs seems less ponderous, less opaque than it did before."

The last Soviet leader to be named 'man of the year' was Yuri Andropov, who shared the Time cover with Reagan in 1983. Joseph Stalin was named 'man of the year' twice, in 1939 and 1945. Time stresses that it selects the recipients solely on the basis of their influence on world affairs.

Publication blocked; gives away memoirs

LONDON (AP) - A former British intelligence agent said on Sunday that he sent 500 copies of his memoirs to friends as Christmas presents after the government said it would take legal action to block the book's publication on security grounds.

Anthony Cavendish said the publishers, Cassell, had abandoned a two-year battle to publish his book, *Inside Intelligence*, after government lawyers threatened the same kind of legal action taken over the memoirs of another former British intelligence officer, Peter Wright. The government has sought to ban Wright's book, *Spycatcher*, from publication in Britain and elsewhere on grounds that he broke his lifetime vow to keep his intelligence work secret.

Cavendish, who served from 1948 until 1953 in M16, Britain's equivalent of the U.S. Central Intelligence Agency, said there were no breaches of secrecy in his book.

Cavendish, now a 60-year-old banker, said Cassell could not afford the mounting legal costs of trying to publish the memoirs so "I decided to go ahead myself."

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Fahd accuses Iran, Israel of threatening Arabs

RIYADH - Saudi Arabia's King Fahd accused Iran yesterday of seeking to export revolutionary ideology by force, adding to the threat he said the Arab world faced from Israel.

"We now face another danger from our brothers in faith, who aim their arrows at our chests instead of helping us to liberate holy Jerusalem and Arab Islamic land in Palestine controlled by Zionist colonialism," he said in a statement carried by the Saudi press agency.

The king, hosting a four-day summit of the six-state Gulf Cooperation Council (GCC), said Iranian hostility was intended "to expand and control and export ideas strange to our Arab Islamic society."

He also said that international efforts to end the seven-year-old Iran-Iraq war had so far failed because of the "refusal of the Iranian regime of every Arab and Islamic mediation attempt."

King Fahd said yesterday that the leaders of all six Arab Gulf states support the recent Palestinian protests against Israeli occupation forces in the West Bank and Gaza Strip. In a statement carried by the official Saudi press agency, the king said the leaders were "hearing and seeing with pride the uprising of their brethren in occupied Arab Palestine and ... (their) heroic resistance against Israeli terrorism."

PLO Chairman Yasser Arafat reportedly sent a message to the sum-

mit Sunday, vowing that the uprising will "continue unrelentingly, in wave after wave, until the occupation ends and holy Jerusalem is liberated as capital of the free Palestinian state."

Officials said the king held two hours of talks yesterday with the heads of state of fellow GCC members Bahrain, Kuwait, Oman, Qatar and the United Arab Emirates (UAE). The talks focused on the war and Gulf security, they said.

GCC secretary-general Abdullah Bishara told Reuters the summit would discuss ways to end the war and would stress the need to implement July's UN Security Council resolution 598 ordering a ceasefire. Baghdad has accepted the resolu-

tion but Tehran insists that Iraq must first be branded the aggressor. The king opened the summit on Saturday with a warning that the war could widen unless Tehran dropped what he called unreasonable conditions for peace talks.

Kuwait has already sought U.S., British and Soviet naval protection for its oil tankers in the Gulf and more than 50 foreign warships have converged on the strategic waterway to protect international shipping from attacks by Iran and Iraq.

On Friday night, Iranian gunboats fired at a Saudi tanker off the UAE coast, possibly to try to intimidate the GCC into softening criticism of Iran, the sources said. (Reuters/AP)

Eighteen civilians die in gun battle in Sri Lankan market

COLOMBO, Sri Lanka (AP) - At least 25 people were killed Sunday in a ferocious gunbattle in a crowded market in Batticaloa after suspected Tamil rebels fatally shot a policeman, residents of the eastern port city said.

Eighteen of the victims were unarmed civilians, according to a priest contacted by telephone in Batticaloa.

The Rev. Pius Pathmarajah said Sri Lankan policemen and Indian soldiers opened fire after one policeman was killed. But an Indian diplo-

mat in Colombo denied any Indians were involved in the killings.

A Sri Lankan military official in Colombo said he had unofficial reports that 25 people were dead. Eighteen bodies were taken to the main hospital in Batticaloa, according to a hospital spokesman.

The hospital spokesman said 11 people injured in the shooting were admitted to the hospital, including seven in critical condition.

Pathmarajah, reached at the residence of the Roman Catholic bishop of Batticaloa, said he thought seven of those killed were Tamil fighters

because their bodies were removed from the scene.

Members of the Tigers rebel group, who are fighting the Sinhalese-dominated government for a separate state for the Tamil minority, try to retrieve the bodies of fallen comrades when possible.

Pathmarajah, a Tamil, said the trouble started in the morning when Tiger guerrillas attacked three Sinhalese policemen and killed one of them. The three Sinhalese policemen were going shopping, armed with their T-56 rifles. They were attacked by Tamil militants, and

their arms were removed," the priest said.

He said Indian soldiers and Sri Lankan policemen rushed to the scene and opened fire. But the Indian diplomat said the only role played by the Indian soldiers in the battle was to try to restore peace after the Sri Lankan policemen were attacked. However, the priest added he saw Indian troops join Sri Lankan police in the shooting after the three policemen were fired on. Twenty shops in the town were hit by fire during the battle, the priest said.

'The carnage has to stop' says Archbishop Tutu after Natal killings

JOHANNESBURG (Reuters) - Nobel peace laureate Archbishop Desmond Tutu called on fellow blacks yesterday to halt factional bloodshed in Natal province, where at least 14 people have been killed since Wednesday.

"The shocking carnage ... has to stop," Tutu, the Anglican archbishop of Cape Town, said in a statement in which he blamed apartheid for fomenting strife among black groups.

Police, meanwhile, reported eight deaths on Saturday in Natal's black townships, where about 250 people have died this year.

Tutu, who tried to arrange a truce last month, said 1988 was approaching "with no definite prospect of an end to the dreadful maiming and slaughter of people in the Pietermaritzburg area."

Four of Saturday's killings were reported from townships around Pietermaritzburg, the Natal provincial capital. Three people died in clashes at Taylor's Halt and a man was burnt to death in neighbouring Magwayani.

The fighting has pitted the large United Democratic Front anti-apartheid movement against In-

katha, a political and cultural arm of the six-million-strong Zulu tribe. Both groups reject Pretoria's race policies, but the latter UDF considers Inkatha too moderate in confronting white minority dominance.

"The situation in Pietermaritzburg shows that the maintenance of hard-core apartheid - the exclusion of black South Africans from political power - also generates violence within black communities," Tutu said.

He also deplored relentless killings in Natal, which have increased even while church groups and white business leaders in the region are

due to resume mediation efforts in the new year.

The return of migrant labourers from big cities to the rural region for Christmas had been expected to aggravate tensions, because some came back to find relatives and friends dead or missing.

Police said two men were killed and seven people injured at Molen near Durban after the family of a murder victim clashed with relatives of the man they blamed for the killing. Using shotguns, pistols, rubber bullets and tear gas, police arrested 42 people after 22 houses were set on fire.

Express: Waldheim was KGB tool

LONDON (AP) - A British newspaper said yesterday that Yugoslav had war crimes information that left Austrian President Kurt Waldheim open to Soviet bloc blackmail for many years.

A spokesman for Waldheim, who was quoted as denying the allegation, said the *Sunday Express* said it had a memo dated Dec. 12, 1947 from Uros Djelic, then chief of Yugoslavia's legal bureau, that detailed what the newspaper called Waldheim's involvement in war crimes. It said the memo suggests that the information be used to pressure Waldheim into actions "favourable to Yugoslavia."

Waldheim, UN secretary-general from 1972 to 1982, has denied allegations that he was involved in Nazi

atrocities while he served as a German Army officer during World War II.

The *Express* quoted Anon Kolenic, the senior intelligence officer for Yugoslavia in 1948, as saying he gave information about Waldheim to the KGB and that he is "positive" they used the file against Waldheim.

The paper said that during the anti-Communist revolt in Czechoslovakia in 1968, Waldheim, as Austrian foreign minister, denied permission for Austria's embassy in Prague to give political asylum to fleeing dissidents.

During the first five years of Waldheim's tenure at the UN, the number of important positions held by East bloc officials rose sharply, the newspaper said.

MANILA, Philippines (AP) - The head of the Philippine military ordered soldiers yesterday against firing in the new year by firing weapons indiscriminately in populated areas. Chief of Staff Gen. Fidel Ramos said the time-honoured practice of firing in the air to celebrate the arrival of the new year tarnishes the image of the armed forces, endangers civilians and creates "a public annoyance."

HONGKONG (AFP) - Mao Tse-tung's widow, Jiang Qing, who was serving a life sentence for persecut-

ing Chinese officials during the Cultural Revolution, has been released from prison, a local weekly reported. The *Far Eastern Economic Review* said in its latest issue that Mao's widow, a member of the radical "gang of four" which ran China in the last years of the cultural revolution period from 1966 to 1976, was currently living in a villa in the suburbs of Beijing. She was in poor health, it said.



Maranao women in Marawi, southern Philippines. (Reuters)

\$150 - price of a slave in southern Philippines

By JOEL PALACIOS

MARAWI, Philippines (Reuters) - Slavery is a growth industry in part of the southern Philippines, where wealthy families seeking household or farm help can buy kidnapped children in an underground market.

"The slaves are mostly boys and girls who are kidnapped from other Christian provinces and sold to prominent families in the interior towns of the province," said Lieutenant-Colonel Carlos Pena, military commander of Moslem-dominated Lanao del Sur province on Mindanao Island.

Culturally, Lanao, about 800 km. southeast of Manila, is a world apart from the rest of the Philippines. Its people, the Maranaos, speak and dress differently and look upon slaves and guns as status symbols.

The most divided of the country's three major Moslem groups, the Maranaos' innumerable sultanates and clans account for the many tribal and family feuds which rock the province.

It is a region where bandits and guerrillas roam freely and vendetta killings are common. Family wars, known as "rido," sometimes involve hundreds of people shooting at each other with automatic weapons. The region's lawlessness has made kidnapping a booming trade and slavery big business.

Depending on physical condition, the price of a slave varies from 3,000

pesos (\$150) to 5,000 pesos (\$250), Pena said. He had no estimate of the number of children involved but said it could run into hundreds.

"In the past few weeks, I recovered 15 children, most of them girls, before they could be sold. The slaves work in the fields and in the home. They are not put in chains but a few children were recovered were returned because of the beatings they received from their masters," Pena said.

Some slaves are treated well. "One woman who was sold as a slave when she was seven years old is now middle aged but refuses to leave because Lanao has been her home for so many years," Pena said.

Ali Dimaporo, a former provincial governor, said peace and order had suffered because the government was hardly visible in the area.

"The roads are not maintained and kidnappings have become the rule of the day. There is only one solution - kill the kidnappers," Dimaporo said.

Despite the killings and kidnappings, Marawi's courts are idle and its jails nearly empty. There are only 20 prisoners in the provincial jail and the province of 700,000 people appears deceptively peaceful.

"We have no backlog of cases here," Maranao Judge Amer Ibrahim said. "No charges have been filed on the kidnapping cases because there are no complainants."

IN BRIEF

MOSCOW (AFP) - The crime rate in the Soviet Union fell by an average 8 per cent this year with some serious offences down by 14 per cent, a Soviet official said here yesterday. First Deputy Interior Minister V. Trushin told the government daily *Izvestia* that some 600,000 "small fry," mostly clerks and workers caught stealing at their work place, were arrested this year. He added that 7,000 cases of illegal pay-

offs had been registered and 180 militiamen sentenced for corruption.

NEW YORK (AFP) - The Rockettes, the U.S.'s best-known chorus line and one of New York's star tourist attractions, may soon hire a black dancer for the first time in its 62-year history. *The New York Times* reported. An unidentified black woman turned up at a recent audition for dancers to fill in on short notice at Rockettes performances here, the newspaper said. She agreed to appear in a special dance line on January 31.

U.S. sailor dies in Barcelona club blast

BARCELONA - A U.S. sailor died early yesterday after a lone assailant threw two hand grenades into a Christmas-trimmed club for American servicemen, injuring five other sailors, a hospital spokeswoman said.

Ronald Strong, 22, died from injuries he suffered in the Saturday attack on a United Service Organizations club, said a spokeswoman at Hospital del Mar in Barcelona.

The victims came from the USS Beary, a destroyer, and the USS Thorn, a frigate. Both ships are attached to the U.S. 6th Fleet, and

have been in Barcelona since Dec. 21. Shore leave has been cancelled for the 500 to 600 sailors on the ships, he said.

Juan Bosquet, a spokesman for the regional government, said about 20 people were in the club, in Barcelona's port area, when an unidentified man threw two grenades just after 6 p.m. The blast ripped out the bar's windows, hurling glass into the street, said Spanish National Radio.

U.S. Navy ships assigned to the U.S. 6th Fleet in the Mediterranean regularly put into Barcelona and other Spanish Mediterranean ports for rest and recreation.

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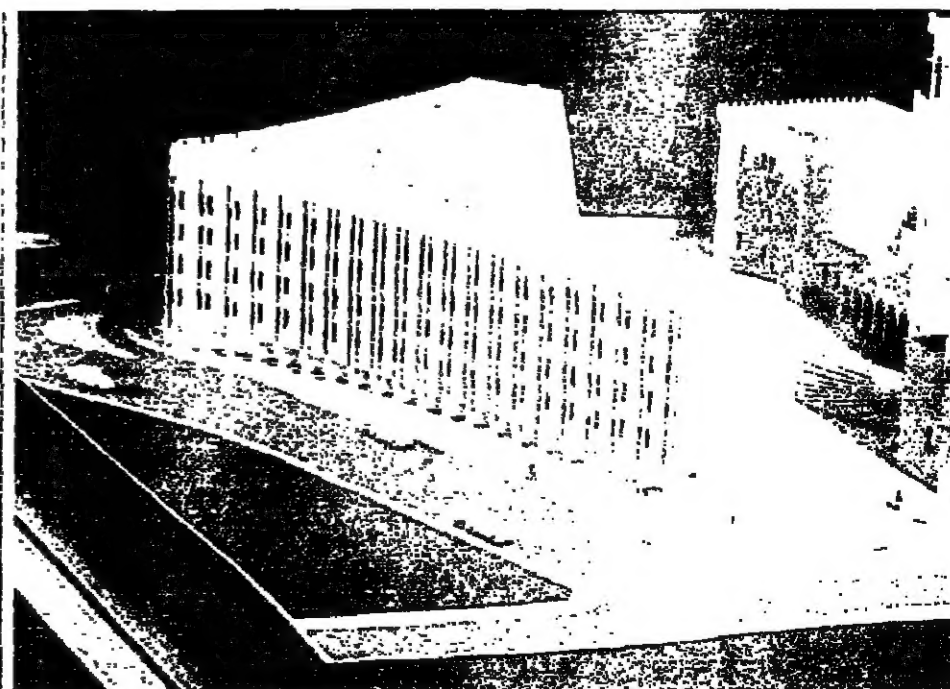
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Cars torched in upsurge of anti-Beduin feeling in Gaza

By BRADLEY BURSTON
Jerusalem Post Reporter

GAZA - Scores of cars belonging to Negev Beduin and left for repairs in Gaza Strip garages were burned in recent weeks.

Observers said this was due to a deterioration in the traditionally thorny relations between Beduin and Gaza Palestinians.

Tension between the two groups, which predates Zionism, has increasingly centred on the issue of

the Beduin's loyalty to the State of Israel.

Calling the Beduin collaborators and traitors to the Arab cause, anti-Beduin elements here have long cited Beduin service in the IDF as evidence of their estrangement from the Arab cause.

Last April, a series of petrol bomb attacks on Negev Beduin driving through Gaza City led to a sharp drop in the number of Beduin patronizing local businesses.

But after terrorist activity was again directed at traditional Jewish targets, the Beduin came back to the inexpensive garages that dot the Strip.

Yesterday, after several days of relative calm, dozens of Beduin showed up at garages in several towns to retrieve the vehicles they had left for repairs, only to find that they had been burned during the recent rioting.

In some cases, cars had been re-

portedly rolled onto intersections and set afire to serve as barricades.

A number of owners, told that nothing remained of their cars, said they suspected their vehicles had been dismantled and sold for parts, or buried in dunes for later retrieval.

Beduin who brought their cars in yesterday reported being told by mechanics to take them back across the Green Line to be fixed. The mechanics said they were afraid ex-

tremists would take revenge on garage owners who agreed to repair the vehicles of Negev Beduin.

A resident of a northern Negev Beduin township said yesterday: "A Gaza mechanic who has fixed my car for several years told me at the end of last week that under no circumstances would he agree to repair my car any more. He told me that not only would my car be torched but that his own life would be in danger."

Mitzna admits error; arrested Army Radio man to return to work

By JOSHUA BRILLIANT
Post Defence Reporter

TEL AVIV - OC Central Command Amram Mitzna said yesterday he had erred in arresting an Army Radio reporter whose coverage he did not like, and agreed that the reporter, Zohar Melamed, should return to cover the West Bank.

Mitzna's about-face followed uncomplimentary media reports and criticism from Knesset members who are often poles apart, like the Likud's Pinchas Goldstein and the Citizens Rights Movement's Dedi Zucker.

At a meeting, on Mitzna's initiative, with Army Radio senior staff yesterday morning, the general outlined his grievances against Melamed. Mitzna claimed that Melamed had attended a meeting which he was asked not to cover, and despite pledges to the contrary, had broadcast excerpts from it. Mitzna also insisted that the IDF spokesman vet reports before they are broadcast, and complained that this

was not always done.

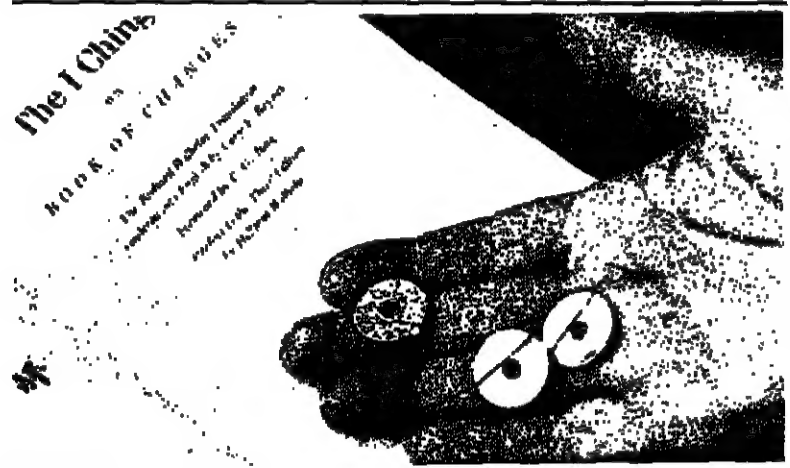
He recalled that he gave Army Radio a week to replace the reporter. When Mitzna discovered that Melamed was still on the beat, he ordered his arrest. A Military Police officer located the reporter on assignment in Bethlehem and locked him up for several hours until the head of Army Radio, Nahman Shai, persuaded Mitzna to release him.

The reporter, who is on leave, did not attend yesterday's meeting. However, his immediate superior, Yotam Yakir, told Mitzna that Melamed had been carrying out orders. "If you have complaints, you ought to direct them to me," Yakir reportedly said.

Shai, too, criticized Mitzna's move, warning that it could serve as a dangerous precedent. "What's to stop another general doing the same thing tomorrow, over another issue?" he reportedly asked. Shai insisted that he - and no one else - appoints reporters and sacks them. Mitzna accepted the criticism.



The weekend's downpour made itself felt in the archives of the Land Registry (Tabu) in Jerusalem, where water leaked into documents. Here Justice Minister Avraham Shari examines the extent of the damage. (Zoom 77)



Phone tokens—soon to become a thing of the past (Karen Ben-Zion)

New public phones won't take tokens

By JUDY SIEGEL
and JEFF BLACK
Jerusalem Post Reporters

Telephones that operate with prepaid cards rather than tokens will be installed by Bezeq around the country in May. Bezeq plans to install an additional 1,200 every year, with the aim of eventually replacing all the token-operated phones.

Bezeq director-general Zvi Amid disclosed these plans last week during a meeting with Nuzhat Katzav, head of the Histadrut Consumer Protection Authority.

The cards will resemble bank credit cards and contain 30, 40 or 100 phone units. Unlike multiple-unit bus tickets, there will be no discount on the Bezeq card.

The card is inserted into the specially designed Israeli-made public phone, and units are electronically cancelled as they are used. The card will tell the user how many units remain. They will be especially useful in making overseas calls from a

public phone.

The system will prevent public telephones becoming clogged up with tokens; and fewer contractors will be needed to collect the tokens.

Bezeq has also announced that in two years every phone subscriber will be able to get detailed bills listing the number, time and length of calls made. This service, offered for less than NIS 3 a month, is now provided to only 250,000 subscribers who are hooked up to digital exchanges.

Amid said that there are over 500,000 phones throughout the country that do not meet Bezeq's standards. Most of them were smuggled into the country. He blamed these substandard phones for "wreaking havoc" on the telecommunications system.

The authority also charged during the meeting that more than 15 per cent of the country's public telephones are out of order and only one-third of them have lighting at night.

(Continued from Page One)

a solution to the Palestinian problem, said Darousha.

"Nevertheless, the president stressed that Egypt could not keep quiet about the situation. He did not know what steps might be taken in the future if Israel continues its policy of occupation and oppression of the Palestinian people," he said.

"He noted that Egypt had already taken some measures, including public criticism of Israel's behaviour. The president said he had also used his influence with President Reagan to persuade the U.S. not to use its veto in the recent UN motion censuring Israel for its activities in the territories."

"Mubarak revealed that he was consulting with Arab countries and the PLO about further measures," said the Labour MK.

The meeting between Darousha and the Egyptian leader took place in the presence of Mubarak's political adviser and confidant Dr. Osama el-Baz. He confirmed reports of a boycott on meetings with Israeli leaders and officials who wished to explain the reasons for the government's policies in the territories.

"It was made clear to me that the Egyptians are refusing to meet or discuss the situation with any official Israeli representatives, even ministers, because they consider that no explanation would be acceptable," said Darousha.

Mubarak had agreed to meet Darousha as a representative of the Israeli Arab community and a Knesset member whose attitude towards finding a peaceful solution to the Palestinian problem was well known.

"We discussed the situation generally and the strike by the Israeli Arab community in solidarity with residents of the territories," said Darousha, who maintained that he

DAROUSHA

was the first Israeli Arab to meet with the head of state of a neighbouring Arab country.

"The president harshly criticized Israel's policies in the territories and expressed shock at Defence Minister Yitzhak Rabin's remarks. He asked how the Labour Party could acquiesce in the 'iron fist' measures announced by Rabin. He wanted to know where were the voices of Peres and Ezer Weizman, both of whom he respected and who, he believed, were sincere in their desire to find a peaceful solution to the problem."

The president stressed that Egypt had not signed a separate agreement with Israel. The treaty was based on the premise of continuing the peace process. He warned that Israeli-Egyptian relations would be adversely affected if no solution was found that would assure the rights of the Palestinians and the withdrawal of Israel from the occupied Arab territories. Egypt had a responsibility to the Arab world and a historic duty to the Palestinian people on this.

"He had no expectations from Prime Minister Shamir, who had consistently refused to promote the peace process and rejected the idea of an international peace conference, but he was shocked and disappointed by the attitude of the Labour Party."

Darousha said Mubarak had praised the Israeli Arabs and Jewish democratic groups, including Peace Now, for their demonstrations against the government crackdown in the territories.

"The president said Egypt had no desire to intervene in internal Israeli politics. Nevertheless, he wanted the younger generation of Israelis to understand that peace was the only way to secure the future," Darousha said.

"I raised the suggestion of arranging a meeting in Cairo next April between Israeli peace representatives, MKs, writers and academics, and distinguished Palestinians from the territories and the Palestinian diaspora in the presence of Egyptian officials."

"The president welcomed the proposal and said he would first speak with the Jordanians before making the arrangements."

Meanwhile, Mubarak indicated that he would be visiting America soon, where he intended to launch a new peace initiative. "The president said the present stagnation was dangerous. If there were no progress, the enemies of peace would fill the vacuum and make use of it for their own benefit. He reiterated that the way forward was through the auspices of an international peace conference, with the participation of the PLO as the legitimate representative of the Palestinians," said Darousha.

The Knesset member emphasized the wave of anti-Israel sentiment sweeping Egypt in the wake of the unrest in the territories and Israel's retaliatory measures. The criticism and condemnation appeared to be unanimous, from the man in the street to academics and politicians. Opposition and coalition and religious factions were united.

During his stay, thousands of students from Elin Shams University demonstrated on the streets of Cairo, demanding an end to diplomatic ties with Israel and the removal of the Israeli ambassador. "In my opinion the situation is worse than it was during the Lebanon war," said Darousha.

Youth soccer meet starts

By JEFF BLACK

RAMAT GAN - Education Minister Yitzhak Navon kicked off the 13th annual Winter International Youth Football Tournament yesterday afternoon by signing out in his welcome, the teams from Eastern Europe and Spain. The Spanish team got a special mention because of the establishment of diplomatic ties between Israel and the Iberian country.

The tournament's curtain-raiser game saw Israel's under-18 team beat Iceland by a single goal late in the second half.

The tournament has been run by the Israel Football Association since 1974 (except for a one-year respite five years ago because of the war in Lebanon), and this year, like last, the tournament consists of two competitions, one for under-18s and one for under-16s.

Participating nations - some of them rare visitors here - comprise Cyprus, Denmark, Greece, Hungary, Poland, Rumania, Iceland, Ireland, Lichtenstein, Spain, Switzerland and hosts Israel. Malta were also scheduled to take part but pulled out at the last minute.

Both age groups have two groups, (in the under-16s, Israel has teams in both Groups A and B) with the final for the under-16s taking place

on Thursday and for the under-18s on Saturday.

Israel yesterday got off to a good start in the under-18s tournament with their one-all victory over Iceland, who along with Ireland, Lichtenstein, Poland and Spain are making their first appearance here.

The heavy ground was obviously not conducive to skillful football, but both teams made an effort to keep the game open and fast-flowing. The Icelanders were perhaps the better team technically, but in the second half, the Israeli youngsters, some of whom have already made their debut in the National League, seemed determined to give the crowd of nearly a thousand something to cheer about.

Tal Benin got the credit for the Israeli goal in the 73rd minute, but in fact his shot took a deflection off an Iceland defender to leave the goalkeeper totally stranded.

Among the Israeli players who stood out were defender Sharon Tropin and second-half substitute Yitzhak Zohar, who added some bite to the Israeli attack. For Iceland, midfielder Arnie Kvaran seems likely to be a player to look out for in the future.

Other results: Under 16: Hungary 3, Poland 1; Greece 3, Romania 2. Under 18: Hungary 2, Greece 1. Israel Under 18 play Switzerland today at 2 p.m. in Kfar Sava.

TENNIS

Bloom out of Adelaide

By JACK LEON

A heel injury sustained in training has forced Israel's No. 2 tennis player Gilad Bloom to withdraw from this week's South Australian Open in Adelaide, one of the last two Nabisco Grand Prix tournaments of 1987. However, Bloom hopes to be

fit for the \$110,000 Auckland Grand Prix, starting on January 4 and the Australian Open which gets underway in Melbourne a week later. Amos Mansdorf is competing in both these meets, with the Israeli champion and Gilad scheduled to team up in doubles.

CRICKET

Windies pile on agony

CALCUTTA, (AP) - Two further centuries by middle order Gus Logie and Carl Hooper, following that of Greenidge, enabled the West Indies to put up a mammoth 530 for the loss of five wickets yesterday before declaring the innings closed 35 minutes before the close of play on the second day of the third cricket Test match against India. India scored 20 without losing a wicket in the four overs they played before the stumps were drawn for the day. (Greenidge 141, Richardson 51, Richards 68, Logie 101, Hooper 100 n.o.). The West Indies won the first test in New Delhi. The second, in Bombay, ended in a draw.

In Melbourne, all-rounder Steve Waugh led a spirited recovery as Australia climbed back from a perilous 31 for 3 to finish on 170 for 5 yesterday, the second day of the third cricket Test against New Zealand. At stumps with Australia chasing New Zealand's first innings of 317, Waugh was unbeaten on 55 with Peter Sleep on 16.

Australia's bogy man Richard Hadlee again wreaked havoc, taking 4 for 62, including a spell of three wickets for just six runs off 19 balls. His bowling was considered to be the finest exhibition of fast bowling seen in Australia since Dennis Lillee won in the prime.

NFL Browns clinch AFC Central

PITTSBURGH (AP) - Bernie Kosar threw a short touchdown pass, Earnest Byner ran 2 yards for a score and the Cleveland defence did the rest as the Browns clinched their third straight AFC Central championship Saturday by defeating the Pittsburgh Steelers 19-13. The win, which gave the Browns a final record of 10-5, assured Cleveland of at least one home game in the playoffs.

It knocked Pittsburgh, which finished at 8-7, out of any hope for a wild-card playoff berth.

In Minneapolis, Al Hajj-Sheikh, who missed a 33-yard field goal with 46 seconds left in regulation, kicked a 46-yarder 2:09 into overtime Saturday, as the Washington Redskins prevented the Minnesota Vikings from earning the final NFC wild-card spot with a 27-24 victory.

NBA Bird clips Clippers

LOS ANGELES (AP) - Larry Bird scored 28 points, and the Boston Celtics erased an 81-74 Los Angeles lead at the start of the fourth quarter, beating the Clippers 106-97 on Saturday night and extending their winning streak to five. The Celtics outscored the Clippers 16-6 over the first 10 minutes of the fourth quarter to take a 90-87 lead.

Boston then scored the next nine points before Los Angeles could get on the scoreboard for a 99-89 margin.

Other game scores: Warriors 96, Nuggets 105; SuperSonics 111, Kings 112; Suns 110, Mavericks 105; Rockets 100, Bucks 102; Bulls 97; Pacers 106, Bulls 92; Lakers 117, Utah 109; Pistons 118, Nets 75; Cavaliers 120, Trail Blazers 117.

NFL: Kings 3, Canucks 2; Bills 5, Redskins 6; Cardinals 4, Maple Leafs 2; Oilers 5, Flames 4; Jets 5, North Stars 4 OT; Flyers 3, Capitals 2; Nordiques 4, Whalers 2; Islanders 2, Bruins 1; Rangers 5, Devils 5.

TODAY'S ENTERTAINMENT

TELEVISION

EDUCATIONAL TV

8:00 Telecast 8:05 Keep Fit 8:15 School broadcasts 14:00 Telecast 14:05 Keep Fit 14:35 Making Magic 15:00 Family Problems 15:40 Keep Fit 15:50 Telecast 16:00 The Prisoner (part 9) 17:00 A New Evening - live magazine

ISRAELI TV

CHILDREN'S PROGRAMMES: 17:30 The Care Bears 17:55 Hoppy Hay ARABIC LANGUAGE PROGRAMMES: 18:30 News roundup 18:32 Programme Trailer 18:35 Sports 19:30 News HEBREW PROGRAMMES resume at 20:00 with a news roundup 20:02 North and South: Part 10 of a 24-part American drama serial 21:00 Mabab Newsweek 21:35 Head of the Class - comedy series 22:00 This is the Time 22:50 Inspector Morse - British suspense series 23:30 News

ISRAEL TV CHANNEL 2

18:30 Shmil the Cat 19:00 Circus 19:30 Eskimo Woodcarving 20:00 Barenboim on Beethoven 20:30 Demjankovitch Trial Roundup 21:00 Pop 2

JORDAN TV (unofficial)

17:30 Cartoons 18:00 French Hour 19:30 News in Hebrew 20:00 News in Arabic 20:30 Kate and Allie 21:10 Falcon Crest 22:00 News in English 22:20 A Killing on the Exchange

MIDDLE EAST TV

12:30 Another Life 14:00 700 Club 14:30 Shape-Up 15:00 Muppet Babies 15:30 Super Book 16:00 Fraggle Rock 16:30 Afternoon Movie: The Sky's the Limit 18:00 Happy Days 18:30 Laverne & Shirley 19:00 News 20:00 Megamix P.I. 21:00 Monday Night Football 23:00 700 Club 23:30 Another Life

RADIO

RADIO 1st

6:01 Morning Melodies 7:09 Handel: Concerto Grosso Op. 6 No. 8; Haydn: Concerto for Oboe and Orchestra; Schubert: Piano Sonata (Lupu); Dvorak: Symphony No. 8

(London/Kertesz) 9:00 Dodgson: Concerto for Guitar and Chamber Orchestra; Shostakovich: Piano Quintet Op. 57 (Richter, Borodin); Brahms: Violin Concerto (Perlmutter, Chicago/Gilardi); Beethoven: Symphony No. 9 (New York/Marta) 12:00 From the Tapes Shelf 12:05 Pleasant Listening - no details available 15:00 Music Appreciation 16:00 Hungarian Radio - Liszt: Motets, 3 Pieces for Cello and Piano, Paraphrase for Piano 18:00 Emphasis on the Performance 19:00 Among Friends 20:00 Musical Medley 20:30 Austrian Radio - Suppe: Requiem 22:30 "Then and Again" 23:00 C.P.E. Bach: Concerto; Haydn: Symphonies

RADIO 1st

6:03 Programmes for Olim 7:30 Programme in Easy Hebrew 8:05 Compass 9:05 Information for Listeners 10:05 Hebrew songs and dances 11:05 Morning Pearls 12:05 Mid-East Medley 13:00 News in English 14:05 Children's programme 15:30 Everyman's University 16:05 The Middle Years 17:10 Songs for the Afternoon 18:05 Jewish Traditions 19:05 The Mishna Pardon for today 19:20 Bible Reading 19:30 Programmes for Olim 22:05 Every Man has a Star - with astrologist Ilan Pecker

RADIO 2nd

6:04 Editorial Review 6:10 Gymnastics 6:30 News roundup 6:45 Green Light - drivers' corner 7:00 This Morning - news magazine 8:05 Making an Issue 9:05 House Call - with Rivka Michaeli 10:05 All Shades of the Network 12:10 O.K. on Two 12:00 Midday - news commentary, music 14:05 Arts and Culture Magazine 14:30 Humour 15:05 Songs and Homeword 16:05 Economics Magazine 17:05 Music Moments 18:05 Free Period - Education Magazine 18:45 Sports 19:00 Today - radio newsmagazine 19:35 Law and Justice Magazine 20:05 Centennial Hit Parade 22:05 Quizzes 23:15 Jazz and More

ARMY

6:05 University on the Air 6:30 Open Your Eyes - songs, information 7:07 7:07 8:00 Good Morning Israel 9:05 In the Morning 10:05 Hebrew songs 11:05 Right Now 13:05 Daily songs 14:05 Daily Meeting 15:05 Festival songs 16:05 Four in the Afternoon 17:00 Evening Newsweek 18:05 Interview with Aluf Aram Mitzna of the Central Command 19:05 Hebrew songs 20:05 Classical Music Magazine (repeat) 21:00 Mabab - TV newsmag 21:30 University on the Air (repeat) 22:05 Popular songs 23:05 The 24th Hour 00:05 Night Birds - songs, chat

ARMY TWO

19:05 Radio Radio 20:05 Sports Magazine 22:05 Coffee Break 23:05 All That Jazz

CINEMA PERFORMANCES

JERUSALEM

Beit Azzam: The Secret of My Successes 6; Manhattan 7:45; 9:15; West 9:30; Cinema: Without Witnesses 7; Kwalid 9:30; Eden: The Skipper 4:30, 7, 9; Edelman: Dirty Dancing 4:30, 7, 9; Malibu Cinema: Closed for Renovations; Kfir: No Way Out 4:30, 7, 9; Aladdin 10:30; Mitchell: Spaceballs 7, 9; Origi: The Last Emperor 5:30, 8:30; Orion Or 2: The Beauty of Sin 4:30, 7, 9; Orion Or 3: E.T. 4:30; Orion Or 3: Women's Prison II 4:30, 6:45, 8:45; Orion Or 4: Jaws: The Revenge 4:30, 6:45; Lethal Weapon 8:45, 11; Orion Or 5: Die Hard: Part II 6:45, 8:45; The Navigator 4:30; Pink Floyd: The Wall 11; Orion Inner Space 4:30, 6:45, 8:45, 11; La Bomba 4:30, 7, 9; Semadar: The Bookkeeper 7, 9:15.

TEL AVIV

Beit Leisrael: To Be Or Not To Be 11:15; Ben Yehuda: The Skipper 4:30, 7:15, 9:30; Beth Hatorfot: Heater Street 7; Chen 1: Inner Space 5, 7:25, 9:50; Chen 2: Full Metal Jacket 5, 7:25, 9:50; Chen 3: Bedroom Window 5, 7:30, 9:55; Chen 4: The Witches of Salem 11, 2, 5, 7:25, 9:50; Chen 5: Shop Around the Corner 11, 2, 5, 7:30, 9:50; Cinema One: Closed for Renovations; Cinema Two: Gaby 5, 7:15, 9:15; Dekal: La Bomba 5, 7:15, 9:30; Disengagement 11, 1:30, 4:30, 7:30, 9:30; Disengagement II: Hope and Glory 11, 1:30, 4:30, 7:30, 9:30; Disengagement III: Wish You Were Here 11, 1:30, 4:30, 7:30, 9:30; Drive-In: The Skipper 7:15, 9:30; Sex film 12 midnight; Eastern: Ishtar 5, 7:30, 9:45; Gati: The Last Emperor 6, 9; Hakolom Z.O.A. House: There's a 4:30, 7:30, 9:50; Rodi: Dirty Dancing 4:30, 7:15, 9:30; Timpopo 2, 5, 7:30, 9:50; Lev 8: La Familia 2, 4:40, 7:15, 9:40; Lev 8: Prick Up Your Ears 2, 5, 7:40, 9:50; Lev 10: The Bookkeeper 2, 5, 7:30, 9:50; Limor Hamahudash: No Way Out 4:30, 7:15, 9:30, 9:45 Weeks 12 midnight; Maxima: American Commando 4:30, 7:30, 9:30; New Garden: I've Heard Mermaids Singing 4:30, 7:30, 9:30; Orly: Space Balls 4:30, 7:15, 9:30; Parla: She's Got a Way 12, 2, 4, 7:15, 9:30; Peer: The Beauty of Vice 5, 7:15, 9:30; Stashat: The Untouchables 4:30, 7, 9:30; Sivan: Strangers 5, 7:30, 9:40; Yassur: Le Bonheur a Encores Flap 8:30, 9:40; Tchelet: When the Wind Blows 5, 7:30, 9:45; Tel Aviv: Bloodsport 4:30, 7:15, 9:30; Tel Aviv Cinema: Rebirth 7; Aparajito 9:30; Tel Aviv Museum: Her Dream 9; Zefan: Menon 4:30, 7, 9:30.

HAIFA

Amphitheatre: Closed; Atzmon 1: No Way Out 4:30, 6:45, 8:15; Atzmon 2: Hope and Glory 4:30, 7, 9:15; Atzmon 3: The Untouchables 4:30, 6:45, 9:10; Chen Hamahudash: Jean de Florette 6:30, 9; Keren Or Hamahudash: La Reine de Coeur 4:30, 7, 9:15; Orly: Dirty Denial 4:30, 7, 9:15; Orly: Men 7, 9:15; Peer: Inner Space 4:30, 7, 9:30; Rav-Gat 1: The Last Emperor 5, 7:30, 9:55; Rav-Gat 2: From the Bedroom Window 4:30, 6:45, 9:15; Rav-Gat 3: The Skipper 4:30, 6:45, 9; Rav-Gat 4: Menon 7, 9:15.

RAMAT GAN

Armon: Closed for Renovations; Lily: Beauty of Vice 7:15, 9:30; Oasis: Inner Space 5, 7:25, 9:50; Ordeas: The Skipper 4:30, 7:15, 9:30; Rav-Gat 1: The Bedroom Window 5, 7:25, 9:55; Rav-Gat 2: Million Dollar Duck 5, 7:30, 9:50; Rav-Gat 3: La Bomba 5, 7:30, 9:50; Rav-Gat 4: No Way Out 5, 7:25, 9:55.

HERZLIYA

Don Accadia Cinema Club: Beverly Hills Cop II 7, 9:30; Daniel Hotel Auditorium: Gaby 7:15, 9:30; David: Dirty Dancing 4:30, 7:15, 9:30; Hefetz: The Skipper 4:30, 7:15, 9:30; New Tivoli: Full Metal Jacket 7:15, 9:30.

HOLON

Armon Hamahudash: The Skipper 5, 7:30; Migdal: Shop Around the Corner 7:30, 9:30; The Professional II 4:30, 7:15, 9:30.

BAT YAM

Amphitheatre: The Professional II 4:30, 7:15, 9:30.

GIVATAYIM

Mader: Space Balls 4:30, 7:15, 9:30.

RAMAT HASHARON

Kocher: Beverly Hills Cop II 7 pm; Decline of the American Empire 8:30.

PETAH TIKVA

G.G.Hechal 1: The Skipper 5, 7:15, 9:30; G.G.Hechal 2: No Way Out 5, 7:15, 9:30; G.G.Hechal 3: Dirty Dancing 5, 7:15, 9:30.

NET

The Race Ahead

Campaign Calendar

Jan. 4
Treasury hands out first batch of Federal matching funds to candidates who qualify. Kemp, Babbitt, Gephardt are especially eager; they have already borrowed against the Federal money.

Jan. 15
The Democrats take part in a two-hour debate, broadcast via public television from Des Moines. May be the first time the newly reconstituted field of seven will appear together.

Jan. 29-30
The Republicans are scheduled for the first delegate selection, in Michigan state convention. The stakes: Bush stands to be embarrassed if Robertson does well.

Feb. 8, Feb. 16
Iowa caucuses, N.H. primary. Winners get exposure and momentum. Dole must take Iowa. Dukakis, Hart each must win N.H. Only one can.

Mar. 6
Sixteen primaries make this a Super Tuesday of mostly southern and border states. Gore, a Southerner, counting on wins to establish himself as the center's man; with the black vote, Jackson expects to get more delegates than any of the others.

Mar. 9
Field could narrow. Candidates with less than 10 percent in any two consecutive primaries will lose Federal matching funds in 30 days. Haig, du Pont, among others, may be at risk.

Mar. 29
After three more primaries and a handful of caucuses, both parties will have picked over half their delegates, making, in theory at least, commanding leads possible. Illinois voting is a key test of industrial state sentiment. If Simon is still a player, he must take his home base.

Apr. 2-19
Big-state voting continues. N.Y. primary especially could be key in a contested Democratic race. Cuomo looms over it all.

Apr. 20
Democrats in Congress pick 253 of their number to be among 643 unpledged "super-delegates." Total convention votes: 4,160. Republicans send their governors, Congressmen and party officials to conventions through the regular electoral machinery.

Apr. 26-May 3
Blockbuster primaries continue in Ind., Pa. and Ohio. More delegates than ever are picked by primaries this year. Democrats have them in 33 states, Republicans in 37.

May 10-24
A small collection of Western contests will not yield a lot in delegates — 107 for the Democrats and the same number for the Republicans. But it could produce a lot in headlines, and so perhaps in money for the last round, if either race is close.

Sometime in June, probably
Inter- and intra-party sniping may be replaced by displays of statesmanship as Reagan journeys to Moscow summit with Gorbachev.

June 7
Four primaries end the season. Manoeuvring for the Vice Presidential nomination will come out into the open. If no Democrat has nearly half the delegates after Calif. and N.J., the broker for the top spot on the ticket will start in earnest.

July 18-21
Democratic National Convention, Atlanta. Even if a nominee is assured going in, Democrats will quarrel about their platform and vision of the future. They always do.

Aug. 15-18
Republican National Convention, New Orleans. Celebration of the nominee will compete with paeans to Reagan's successes.

Sept.-Oct.
Labor Day is the traditional opening day for the general election campaign. Four debates, Sept. 14 and 25, Oct. 11 and 27, are now scheduled.

Oct.-Nov.
Last economic statistics before the voters go to the polls could be valuable political capital for someone. Trade growth and inflation reports come two to three weeks, and unemployment four days, before Election Day.

Nov. 8
Election Day. In 1984, 53.3 percent of those eligible to vote did so.

13 Candidates Reach 1988, With Plenty To Fret Over

By E. J. DIONNE Jr.

WASHINGTON
In 1987, amid all the talk of things like adultery and politicians' stealing speeches, it has been easy to lose sight of what the American people will be deciding in the election of 1988.

The election will be important, no matter how the politicians and the parties frame the choices, because it comes at a time when the United States is being forced to face a fierce economic challenge and to rethink its role abroad. Whatever the candidates say or fail to say, the economies of Asia's Pacific rim and Mikhail S. Gorbachev will insure that these questions keep coming up.

And at the most basic level, 1988 is compelling simply because it is the first election since 1960 in which a sitting President cannot run again.

The end of Mr. Reagan's term also marks the end of a heroic effort to reconstruct the postwar world that served America so well between 1945 and 1973, to bring back a time when the United States was dominant economically and militarily. In small, Ronald Reagan's goals were lower taxes, reduced Government, increased military budgets and a restoration of popular respect for traditional values. In large, he sought to do nothing less than restore the American Century.

In a year of drift following the Iran-contra scandal, it was sometimes hard to remember that he once seemed close to pulling it off. The economy did heat up. The Administration won an important victory in 1983 in placing missiles in Western Europe. And in the early 80's, at least, America's image had improved, a victory that laid the groundwork for the arms agreement with Mr. Gorbachev this month. In world capitals where American flags were once burned, there was the sudden birth of American chic in everything from music to political ideas.

But the stock market collapse, the decline of the dollar, the trade imbalance and the uneven nature of the country's prosperity all showed that the United States' writ no longer runs the world, that it is not even fully the master of its own economic house.

What is to be done? That is the question that underlies the 1988 campaign, and the candidates are groping with words like "competitiveness" and "multipolarity" to suggest that they understand the challenge.

Longing for Larger Figures

The sense that the problems are so big may be one reason that the Democratic candidates suffered such abuse in 1987. Lacking national exposure, it was hard for any of them to present themselves as commanding. Thus the party establishment (and, according to the public opinion polls, many voters) longed for larger figures.

But those popularly designated as such — Senator Bill Bradley, Governor Cuomo, Senator Sam Nunn — so far have declined to enter the contest. Former Senator Gary Hart, who has always spoken in grand terms about the need for a global strategy, saw the same gap. If former Gov. Bruce Babbitt, Gov. Michael S. Dukakis, Representative Richard A. Gephardt, Senator Albert Gore Jr., the Rev. Jesse Jackson and Senator Paul Simon were not enough, then Mr. Hart, at the risk of derision, would rise from political death and return to the race.

The Republicans have the advantage of national experience in their two leading candidates. But the party may yet squander its advantage in a blistering debate over first principles.

Mr. Reagan succeeded because his coalition included every kind of man: native from apostate intellectuals in Christian fundamentalists; from the young Porsche-owner to the family of five in an old Chevy wagon. The only group that failed to respond at any level to Ronald Reagan's political charm was blacks.

Can Vice President Bush or Senator Bob Dole keep enough of this alliance of ideas and people together? At the rate the Democrats are going, many in both parties think they can. But with Representative Jack F. Kemp, former Gov. Pete du Pont and Pat Robertson sniping at them from the right, and former Secretary of State Alexander M. Haig Jr. relentless in his criticism of the Administration, they could have a difficult time of it.

Of course, the Democrats have internal problems of their own. The party is far closer in consensus, at least on domestic issues, than it has been in many years. But divisions linger, notably in style, between legislative politicians who hark back constantly to the ideas of Roosevelt and Truman and those who work to put a managerial sheen on the party's tradition. Still, public opinion polls have shown with some consistency that a majority of the voters say they are in a mood for change. This feeling could grow if the economy takes a turn downward.

Moreover, after a year in which Democratic fortunes were judged by the harsh and uncertain measures of punditry and polling, the process will finally fall into the hands of voters. By the time the New Hampshire primary is over, 51 days from now, the Democratic field will be reduced to a more manageable size, and one or more candidates will acquire some stature of their own.

But both the Democratic and the Republican nominee will confront another stature gap. In the shorthand of politics, all the complicated questions of 1988, from character to issues, may come down to this one: Who is the best American to put up against Mikhail Gorbachev? So far, there are 13 men who think they can take on the job.

Philippines

A narrowing of 'democratic space'

2

Israel and Arabs

An escalation of the war within

3

The World

For Aquino, A Growing Threat From Extremists

By SETH MYDANS

AFUNDAMENTAL change is under way in the Government of President Corazon C. Aquino. As she feels pressure from extremists on both sides, but particularly from the right wing, the open debate and broad political participation — the “democratic space,” as it was called — have narrowed.

Under pressure from the restive military, which has staged several coup attempts, and apparently disillusioned by the continuing challenge by the Communist insurgency, Mrs. Aquino has given ground on what had seemed to be a commitment to a broad political base.

Hard-line factions on both the right and the left have gained ascendancy, and the attempts at reconciliation the President once promised have all but been abandoned. Leftist groups say they are in more danger today under the administration of Mrs. Aquino than they were under her predecessor, Ferdinand E. Marcos.

The idea of “democratic space” was inaugurated after Mrs. Aquino came to power in February 1986, when she freed hundreds of political prisoners and invited them to take part in national debate.

Some offered their talents to Government agencies. Others, many of whom had been part of an armed insurgency, formed their own political organizations and ran



Sydney/Abbas Negues

for office. Once shadowy figures from the underground appeared on television talk shows and offered their ideas for tackling the nation's problems.

The experiment failed, victim of the growth in influence of the anti-Communist right wing, of the increasing polarization of the nation, and of a failure of the Government to push forward with its vision of an open society.

Some prominent left-wing leaders have been killed by unknown assassins or have narrowly escaped being murdered. As a result, others have fallen silent, gone into hiding or left the country.

Among them is Bernabe Buscayno, founder of the Communist New People's Army, who ran unsuccessfully for a seat in the legislature, then narrowly survived an attempt to kill him.

The left-wing party, Partido ng Bayan, which fielded candidates for the legislature in an election last May, has gone underground and has few official candidates in a campaign now under way for seats in local government.

“Our attitude is, if we can secure the lives of our candidates, it's O.K. to field candidates,” said Vera Razon, a member of the party's staff.

Other legal left-wing groups, such as the umbrella organization Bayan, which attracted broad support during the last years of the Marcos Government, have fallen quiet.

In the provinces, some church groups and human-rights organizations say they are afraid to hold demonstrations. Human-rights lawyers, active under Mr. Marcos, today say they hesitate to take public stands.

One factor has been the rapid spread of right-wing vigilante groups that target not only Communist guerrillas but also their front organizations as well as more mainstream groups.

By many accounts, the vigilante bands have often run out of control, engaging in local feuds and employing terror.

But the groups are also an integral part of a strategy by the military to isolate the insurgents from the Philippine people by eliminating independent organizations on the local level.

The Partido ng Bayan, for example, is seen as a prime target for elimination, members of vigilante groups say.

‘It's Closing In’

These tactics of the right wing have strengthened the hand of the hard-line section of the left. In the early months of the Aquino administration an open debate was conducted over whether to accept her invitation to participate in the mainstream. Mr. Buscayno, until he was forced into hiding, criticized those who urged a continuation of violent revolution, saying that the time had come for peaceful politics.

Another leftist leader who was freed from prison, Edicio de la Torre, is also now in hiding. In a recent interview, he said he believed the early hopes for broader political space had been unrealistic.

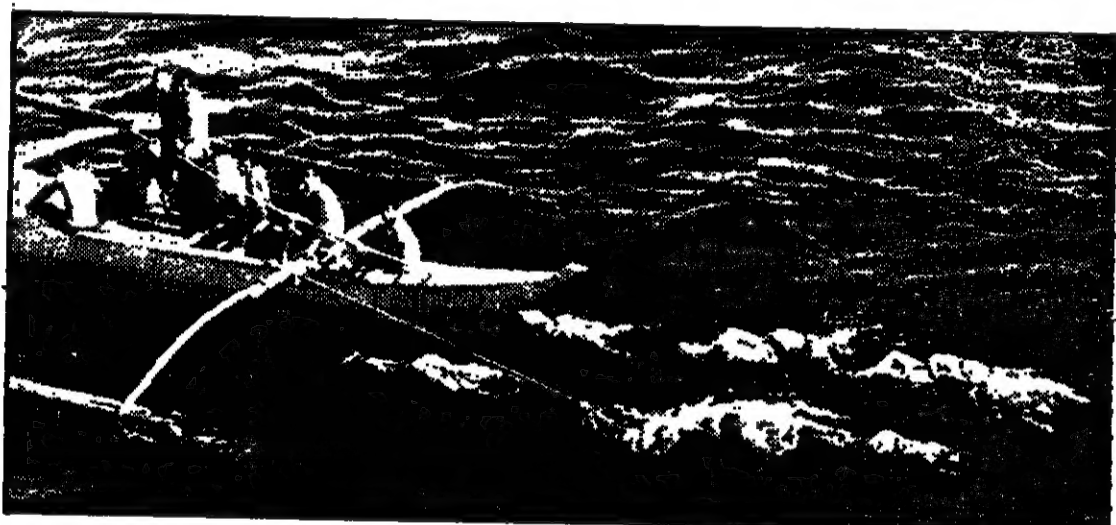
“It's closing in, and it's not just actual physical military space,” Mr. de la Torre said. “It's more the squeezing out of a certain set of ideas, certain labels being targeted for ‘excommunication.’”

As a result, it appears that, willingly or not, the Aquino Government has set a course for a violent rather than a political resolution of the country's divisions.

Members of an anti-Communist vigilante group (top) called Tadtad, or Chop Chop, on the Philippine island of Mindanao; marchers in Manila protesting killings of leftist leaders.



Associated Press



Fishermen towing bodies recovered last week after collision between a Philippine passenger ferry and an oil tanker.

Associated Press

Ferry and Tanker Collide

On the Way to Manila, 1,500 Are Killed at Sea

ON the moonless night of Dec. 20, most of the passengers on the overcrowded Dona Paz were asleep, either in steel bunks or on outside decks, as the ferry made for Manila. Many of them were going to the Philippine capital for the Christmas holidays. Then the 2,215-ton ferry collided with the 629-ton tanker Victor, with a crew of 13. Fire broke out; some passengers jumped in the sea, escaped; within minutes both ships sank, killing at least 1,500 people. By week's end, only 28 survivors had been found after searches in the area of the collision, between the islands of Luzon,

where Manila is, and Mindoro, to the south.

The survivors, many badly burned, estimated that as many as 3,000 people, double the normal capacity, might have been on the ferry. A 34-year-old fisherman said he had been on the ferry with his father-in-law, 14-year-old daughter, brother, niece and 14 people he had recruited to work as domestic servants. “I was still shaken by the noise when I saw my father-in-law jump into the sea,” he said. “I saw the ship in flames and I wanted to kill myself.”

“Our sadness is all the more painful

because the tragedy struck with the approach of Christmas,” said President Corazon C. Aquino. The Philippines is the only predominantly Christian nation in Asia.

The greatest loss of life at sea in this century occurred Jan. 30, 1945, when an estimated 7,700 people went down in the Baltic Sea on the transport ship Wilhelm Gustloff, which was carrying Germans, including Nazis, fleeing Poland. The ship was torpedoed by a Soviet submarine. In April 1912, the British liner Titanic struck an iceberg in the North Atlantic and sank, killing 1,503 people.



Civilian wounded during rebel attack on towns in northeastern Nicaragua being evacuated to Managua.

At Home and in Congress

Nicaraguan Rebels Advance on 2 Fronts

By NEIL A. LEWIS

WASHINGTON

THE Nicaraguan rebels last week launched what appeared to be the largest and most successful military operation of their war against the Sandinista Government.

But the long-term effect of the attack by the contras, which involved civilian casualties, was difficult to determine.

In Washington, the outcome of the latest political battle over Nicaragua was less murky.

Opponents of the Administration's pro-contras policy, notably House Speaker Jim Wright and a group of liberal Democratic Representatives, were again forced to retreat from their goal of ending financial support for the contras.

Instead a compromise resulted in postponement of an all-out confrontation on the issue until early February, when the events in Central America may well favor the Administration.

The House found itself forced to accept an agreement in which the contras will receive \$8.1 million outright in nonmilitary aid, and for the transport of previously approved military aid, and an additional \$6.3 million to insure the planes delivering the goods and equip them with air defense devices.

By February, Administration officials believe, they can make a forceful case that Nicaragua has not lived up to the terms of the Aug. 7 Central American peace plan and thus persuade Congress

to vote for much more military aid for the contras. The peace plan, approved by five Central American presidents, including Daniel Ortega Saavedra of Nicaragua, has been an effective weapon for contra opponents in Washington, who say the United States should stop arming rebels while the countries in the region are attempting to implement the accord. Despite the desire of many legislators to see the end of the contra support, their actions provide a striking example of Congressional ambivalence about taking the leading role on foreign policy issues.

Many members of Congress say privately that they are unwilling to risk being blamed for a policy failure in Nicaragua because they voted to cut off the rebels cold. The Administration has skillfully coordinated its efforts on behalf of the contras in recent weeks. A Nicaraguan defector, Maj. Roger Miranda Bengoechea, was used with great effectiveness on Capitol Hill to bolster the Administration's case that the Sandinistas cannot be trusted to live up to the Central American peace agreement. Major Miranda presented documents purporting to show that the Sandinistas want to build up their armed forces in the region even if the contras cease to exist.

At the same time, the contras demonstrated an ability to operate on a large scale in Zelaya Province, northeast of Managua. Analysts said the war seemed to be at a stalemate — exactly the situation at the negotiating table. Talks in the Dominican Republic between the two sides broke down last week and no new date was set.

Recent Clashes Were an Escalation, Not an Aberration

How Long Can Israel Deny Its Civil War?

By THOMAS L. FRIEDMAN

JERUSALEM
AN American reporter in Jerusalem who used to work in Beirut was talking to his Israeli neighbor the other day about the latest Palestinian riots, in which Israeli troops shot and killed 22 Arab youths.

It was a tragedy, remarked the Israeli. The level of tribal-like violence, he added, was shocking. Then, with an arched eyebrow and a voice resonating sardonically, the Israeli said to the American: "I certainly hope that Beirut didn't follow you here."

The truth is, it didn't need to. The Israeli-Palestinian clashes of the last two weeks only underscore that there is already a civil war going on here, although few Israelis and few outsiders are prepared to admit or accept that fact.

That the United States Government could complain to the Israelis about using live ammunition instead of rubber bullets to put down Palestinian demonstrations only reveals how deep is the misperception about what is taking place here.

The street wars in Gaza and the West Bank between Israelis and Palestinians are not some civil rights dispute or student protest. To put it in American terms, these clashes are not the Israeli equivalent of Birmingham in 1968 or Berkeley in 1968; rather, they are the equivalent of Bull Run in 1861.

The fact that Israel is not using rubber bullets is hardly an oversight, or the result of budgetary constraints. Israelis see themselves involved in a war against a Palestinian people's army without uniforms. And the Palestinians view themselves as at war with Israelis, both soldiers and civilians. It would not be surprising to the Israelis to use rubber bullets against the Palestinians than it would have occurred to the North to use rubber bullets against the South in the American Civil War. Likewise, the Palestinians are not out in the streets throwing tennis balls. They are hurling bricks and fire bombs that are meant to kill.

That the Israelis happen to have a monopoly on the uniforms and guns often makes it confusing for outsiders to understand what is taking place here: a war not between marching armies but between two communities who share the same land.

Many people have asked: "Why did it erupt now?" The truth is it did not really erupt now much more than it has been erupting on a daily basis for the last decade. The Palestinian demonstrators and fire-burners are out almost every day.

Ratios of Violence

All that happened now was that Israeli troops chose to open fire on them and happened to kill or imprison such a large number in a very short time that the world noticed. But just because Palestinians or Israelis are not dying in such numbers each week does not mean that their war is not constantly present; barely a week has gone by in the last three years without a Palestinian or Israeli killed or wounded.

The West Bank Data Project, a private research foundation that monitors Israeli-Palestinian relations, has some interesting figures that demonstrate just how the Palestinian-Israeli intercommunal war has been growing, while the Arab-Israeli conflict — that is, the conflict be-



The police chasing Israeli Arabs in Nazareth during a demonstration against Israel's handling of a wave of protests in the occupied West Bank and Gaza Strip.

tween the State of Israel and the surrounding Arab states and the Palestine Liberation Organization — has been receding.

The Data Project keeps a running list of all violent demonstrations by Palestinians under Israeli occupation. Between 1977 and 1982 the number of such incidents averaged about 500 a year. After 1982, the year Israel invaded Lebanon and forced the Palestine Liberation Organization out of Beirut, it rose to an average of 3,000 a year.

Even more revealing is the ratio between externally generated and planned attacks on Israel, primarily by the P.L.O., and the number of internally generated spontaneous Palestinian outbursts of violence or demonstrations. Between 1977 and 1984 there were 11 internal Palestinian demonstrations for every externally generated attack. In 1985 the ratio became 16 to 1 and in 1986 it rose to 18 to 1.

"There is a new trend in Palestinian resistance," said Meron Benvenisti, director of the data project. "Palestinian violence is largely carried out in broad daylight by individuals and groups who spontaneously express their feelings, undeterred by the consequences of their actions. The fact that there are more killings shows the rising frustration level of the occupiers and occupied. Before, the Palestinians were afraid of the Israeli soldiers, but they are not anymore."

Erasing the Boundaries

Now they just open their shirts and say, 'Kill me,' and the soldiers feel that is a good excuse to do just that."

But while nothing is basically new about the last two weeks of Palestinian-Israeli street fighting, what was new, and what was shocking for many Israelis, was that many of the 750,000 Israeli Arab

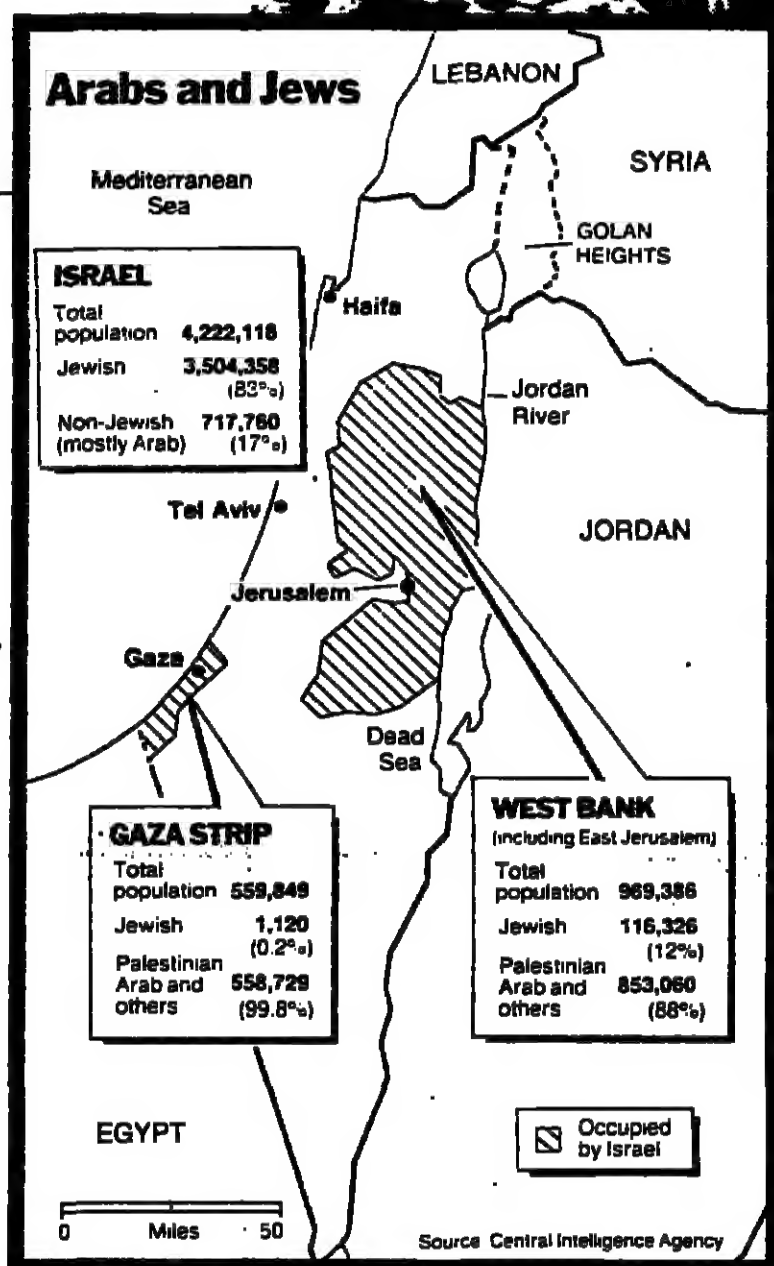
citizens appeared to support their compatriots in the Israeli-occupied West Bank and Gaza Strip, either quietly or by engaging in a general sympathy strike.

What Israelis have discovered in the last two weeks is that the so-called Green Line separating Israel from the West Bank and Gaza Strip can be erased in two directions. That is, for the past 20 years many Israelis have insisted on referring to the West Bank by its Biblical names "Judea and Samaria" and on viewing these occupied territories as integral parts of a Greater Israel. The Green Line, many Israelis said, did not exist for them anymore.

Not surprisingly, as the Jews have come to see Israel and the West Bank and Gaza as a single entity under the control of a unified Jewish population, so the Palestinians, including the Israeli Arabs, have come to see it as a single entity with a unified Palestinian population under occupation. The decision by the Israeli Arabs to stand by the Palestinians in the occupied territories only reflected that perception.

"The way the Israeli Arabs behaved came as a big shock — I guess blood is thicker than water," said Rabbi Shlomo Riskin, spiritual leader of the West Bank Jewish settlement of Efrat. "It only makes things more difficult. You cannot think anymore that if you just give back the territories the rest of Israel will be ours. They are claiming all of Israel."

Indeed, maybe the real lasting effect of the past two weeks of violence will be to force Israelis and Palestinians to realize that they have been talking about their conflict in an obsolete language. Yes, it is still territorially based — but the territories in dispute are not the West Bank and Gaza Strip, but all of Palestine.



A Book Promoting Entrepreneurship Takes the Region by Storm

A Radical Diagnosis of Latin America's Economic Malaise

By LARRY ROHTER

MEXICO CITY
IN Mexico, its message is admired by millionaires and street peddlers. In Argentina, it is No. 2 on the best-seller list, sandwiched between the latest books from Jackie Collins and Sidney Sheldon. And in Peru, its gospel of "a new culture" based on rewarding individual effort was used to fire up thousands of people who rallied against the recent bank nationalization.

Throughout Latin America, Hernando de Soto's book, "The Other Path: The Informal Revolution," is at the center of an intense debate. As the region struggles with a crippling economic crisis, Mr. de Soto, a Peruvian economist, has delighted some and enraged others by arguing that Latin Americans need to look as much at their own societies as to the outside world for the causes of their poverty, backwardness and, sometimes, authoritarian rule. In essence, Mr. de Soto argues that Latin America is caught in a web of arcane regulations that deliberately inhibit innovation and initiative. Though they like to consider themselves modern capitalist economies, Mr. de Soto says, the countries of the region are really mercantilist societies whose principal products are privilege, corruption and inefficiency — a result of a system imposed during colonial times and only refined during 150 years of independence.

One way out, Mr. de Soto suggests, can be found in a phenomenon Latin Americans have seen as a problem: the informal sector, otherwise known as the black market. Based on research conducted in Lima and other Peruvian cities, he concludes that despite decades of effort to stamp it out, the informal sector is the most dynamic part of the Peruvian economy, accounting for

more than half the country's production. In countries such as Argentina, Colombia and Mexico, he said, the figure is at least one-third and rising.

By releasing the creativity and energies of millions of would-be entrepreneurs, Mr. de Soto believes, national economies can be strengthened and the region can enjoy a spurt of growth. Entrepreneurs, he concludes, would join the mainstream economy, thereby improving their material status and gaining new opportunities, were they not prevented from doing so by a legal system designed to thwart them. In a typical instance in Peru, Mr. de Soto found, it required 289 days and \$1,231 in lost wages and bribes to register a small business; in the United States, a comparable procedure needed three and a half hours. To acquire title to a piece of private property took 207 steps at a variety of ministries. In one instance cited by Mr. de Soto, the Mayor of Lima became so frustrated with the bureaucracy that he secretly organized squatters into a land takeover — one of the favorite tactics used by the informal sector to circumvent the system.

Challenge to Left and Right

In dozens of ways big and small, Mr. de Soto's "other path" challenges the beliefs that prevail throughout Latin America. To the left, which argues that capitalism has failed in the region, Mr. de Soto responds that "Latin America has never experienced true modern capitalism." Similarly, while arguing that the Roman Catholic Church should properly pursue an option for the poor, he questions some tenets of liberation theology. "Let's not confuse the poor with the unemployed proletariat," he said in an interview here. "The poor are also entrepreneurs, so don't tell me the only way I can help them is through Marxist-Leninist means." But Mr. de Soto is no less critical of the right wing, which he views as an impediment to the emergence of a truly popular capitalism. "They distrust the idea of being controlled by all these little copper-colored people," he said. He is critical of regimes such as that of Gen. Augusto Pinochet of Chile, arguing that "what is crucial for any government to adapt itself to the emerging market is democracy."

Because it suggests that traditional channels of foreign aid may not be the most effective, Mr. de Soto's book has also stirred some debate among international aid experts, some of whom argue that he has overestimated the size of the underground economy. "If you're working



Peddler at an open-air market in Mexico; Hernando de Soto (inset).

on the basis that what Latin America needs is more irrigation or more investment, and someone comes along and says otherwise, then what you're telling the development experts is that a lot of the expertise required for development does not really require development experts," he said.

Mr. de Soto says his approach also has implications for external problems, such as the foreign debt. "A lot of the debt problems can be resolved to the extent that this sector is productive," he said of the underground econ-

omy. Conversely, he argues, measures such as lower tariffs will not bring permanent benefits unless the underlying body of regulations and rule-making is overhauled.

Mr. de Soto said he welcomes the debate his book has generated. "I'm too much of a democrat to believe that I have the golden key," he said. "I can, however, present another option which would allow Latin Americans to see that there are more possibilities than they have now, that change can have a variety of roads, and that even poverty can be interpreted another way."

Verbatim: Feelings of Remorse

"I think my responsibility is overwhelming, and I sincerely apologize."

Kim Dae Jung

one of the losers in Dec. 16 presidential election in South Korea, expressing regret last week for the divided opposition's inability to agree on a single candidate.

The Nation

Congress Bats Under .500

WASHINGTON

The 100th Congress, the Democrats in charge after they recaptured the Senate in the 1986 elections, began 1987 with heady expectations for redirecting the Reagan Administration's domestic agenda and reshaping the President's foreign policy. It adjourned last week, three months later than planned, not so much defeated as deflated.

Early victories, such as overriding Presidential vetoes of clean water and highway bills, gave way by year's end to unhappy and makeshift compromises. True, the projected deficit for the 1988 fiscal year has been reduced by Congressional action, not the automatic across-the-board spending cuts of the balanced budget law. And the \$79 billion two-year deficit reduction plan, forced by October's stock market collapse, includes tax increases and military spending cuts that once were anathema to the President.

But in the final hours' bargaining with the White House over a \$604 billion catchall spending measure that substituted for the 13 regular appropriations bills for 1988, Democrats had to back away from a drive to halt aid to the Nicaraguan rebels and abandon a push to legislate the so-called fairness doctrine, requiring broadcasters to offer time for opposing views. And the messiness of the budget process seemed at times more of a commentary on the Congressional character than the moments of dignity of the Iran-contra hearings.

Much of the year left such a mixed record. Social policy. An expansion of Medicare to cover catastrophic illness passed both chambers, in slightly different versions. But an ambitious overhaul of the nation's welfare system to move people from the dole to jobs has been approved only in the House. At the eleventh hour, an extension of housing programs thought dead was revived.

Supreme Court. President Reagan's drive to leave his mark on the Supreme Court was blunted by the defeat of Judge Robert H. Bork. Judge Anthony M. Kennedy, who passed confirmation hearings with flying colors, has been compared to the Justice he would replace, Lewis F. Powell Jr.

Foreign affairs. The White House won a resumption of aid to Pakistan and the sale of Stinger antiaircraft missiles to Bahrain. And an effort to assert Congress's foreign policy role through invoking the War Powers Resolution over the Persian Gulf petered out. But the Democrats can claim modified success in limiting testing of the President's "Star Wars" missile defense system.

Government. A revision of campaign finance laws for Congressional elections was beaten back in the Senate. But a measure continuing independent counsels to investigate wrongdoing by high Government officials was made law.

What lies ahead. Congress will return on Jan. 25 to confront once again not only Central America policy issues and a deficit little smaller than last year's, but also a long catalogue of legislative loose ends, on a schedule foreshortened by the pressures of the 1988 election year.

Among the issues the legislators face is a trade bill hung up in a House-Senate conference, banking deregulation and an increase in the minimum wage. In addition, the Senate will take up the treaty eliminating medium-range missiles in Europe signed at the summit in Washington this month. Although Senate leaders say they have the 67 votes required to approve the treaty, they are girding for a battle with conservative Republicans over amendments.

SUSAN F. RASKY

Two Meese Associates Indicted

Wedtech's Legacy: Tighter Rules on Minority Contracts

By DAVID JOHNSTON

WASHINGTON

AS two associates of Attorney General Edwin Meese 3d and another man were indicted last week on charges involving fraud and influence peddling, Congress moved to legislate a cure for the kinds of improper activities that led to what has become known as the Wedtech affair.

By obtaining \$253 million in Government contracts under a program designed to aid minority-owned firms, Wedtech evolved from a small machine shop in the Bronx to a military contractor with revenues of \$100 million a year. The company, which is now in Federal bankruptcy proceedings, was the third largest minority contractor, in dollar volume, in the history of the Small Business Administration program, according to a Congressional tabulation.

John Mariotta, Wedtech's founder, whose parents were born in Puerto Rico, was described by President Reagan in a speech three years ago as a "hero for the 80's." More recently, the company has been described by Federal law-enforcement officials as a "racketeering enterprise" that paid millions of dollars to officials to obtain the contracts that helped propel its growth.

Introducing the legislation on the Senate floor last week, Senator Dale Bumpers, an Arkansas Democrat who is chairman of the Small Business Committee, said, "It is essential that Congress consider improvements that will prevent future program abuse and assist small business in becoming competitive and self-sufficient."

The Senate bill is similar to legislation already adopted by the House that would stiffen rules, against waste, fraud and abuse in the program, established in 1968 to nurture small businesses owned and controlled by the economically and socially disadvantaged. There are now about 3,000 companies in the program, accounting for about \$3 billion a year in Federal contracts.

Among the provisions of the legislation is one requiring companies to compete for contracts worth more than \$2 million if there is a reasonable expectation that two or more firms will submit fair market bids.

The Reagan Administration supports the bill. "We look favorably on it," said John F. Moffitt, an associate deputy administrator at the S.B.A. His agency's handling of the program has been harshly criticized by some members of Congress,

and Mr. Moffitt acknowledges that it "could have done a better job."

The Wedtech controversy has been troublesome for Mr. Meese, whose role in the affair was under investigation, but last week a special prosecutor said he had no plans to seek charges against him. But the prosecutor, James C. McKay, said he might resume the inquiry later and would continue his investigation of Mr. Meese on other, undisclosed matters.

The three men who were indicted last week were charged with improprieties involving company funds. Those named were E. Robert Walach, who has been Mr. Meese's personal lawyer; W. Franklin Chinn, who managed investments for Mr. Meese, and Dr. R. Kent London, an associate of Mr. Chinn's. Lawyers for the men denied the charges in the 18-count indictment.

Learning to Compete

The Small Business Administration program was originally conceived as a means to promote business development. Companies would participate for a limited time while their managers learned how to run a business. As companies gained experience they would "graduate" from the program into open competition.

Instead, critics have said, the program deteriorated into one that allowed qualifying companies

to obtain no-bid contracts that made them dependent on Federal support. Some companies have been unable to survive on their own. Last May, a Senate study of businesses that left the program found that as many as 30 percent of the 461 firms surveyed may now be out of business. An additional 22 percent said they were experiencing difficulties.

In addition, in recent years a smaller number of companies have received increasingly larger contracts. Last year, 3 percent of the businesses in the program were awarded about 55 percent of the contract money, while most of the participants failed to win any, according to Congressional figures.

To make the program fairer, the provision of the bill requiring businesses to compete for larger jobs would mean that about \$1.5 billion worth of contracts a year would be subject to competitive bidding, according to a Congressional estimate. The measure, along with others, would have prohibited large no-bid awards like the \$135 million Pentagon contract that Wedtech obtained in 1984 to manufacture pontoons used for unloading ships.

The job was the largest ever awarded under the minority business program. Capt. David de Vico, a Navy program manager for the project, told a Senate subcommittee last September that the contract was granted even though no one he knew in the Navy had concluded that Wedtech could fill the bill.

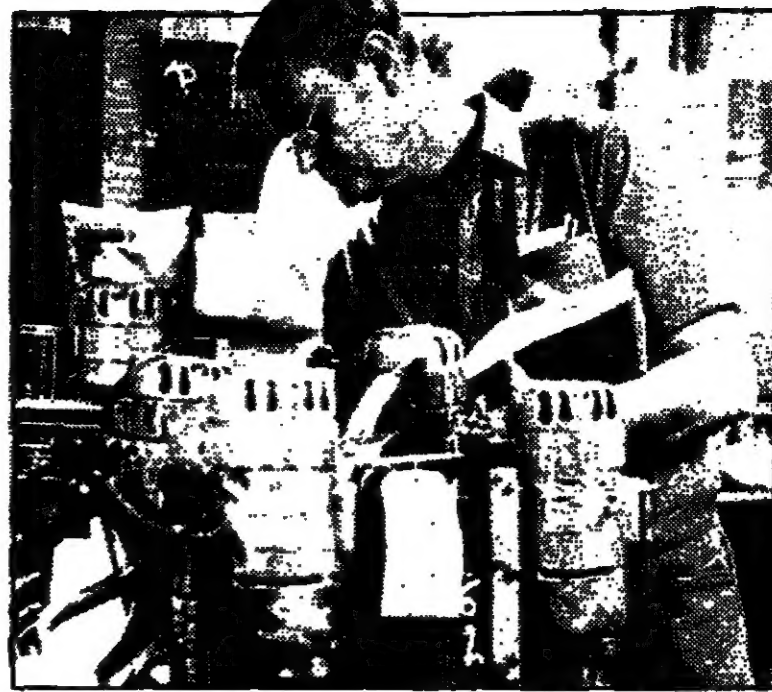
Representative John J. LaFalce, Democrat of New York and chairman of the House Small Business Committee, has said that if the competition requirement had been in effect in 1984, "I believe we would not have a Wedtech scandal today."

Under the House version of the bill, businesses could remain in the program for nine years instead of seven. By the end of five years, however, each company would be required to try obtaining 35 percent of its business from outside the program and three-quarters after the ninth year.

Other measures would insulate S.B.A. officials in charge of awarding contracts from influence-seeking entrepreneurs. Each company in the program would be required to file reports describing the activities of and funds spent by any of its representatives involved in obtaining Federal contracts.

No S.B.A. employee could own stock in a participating company, and penalties against businesses that falsely claimed to be run by the disadvantaged or members of minority groups would be increased from \$50,000 to \$500,000.

"Under this bill," said Mr. LaFalce, "the S.B.A.'s authority can only be used for true business development so that the program will provide a fair opportunity for business success to the greatest number possible of disadvantaged people."



Prospective bidder examining drills during auction of Wedtech Corporation's machinery and other equipment in June.

Sobriety Checkpoints Under Challenge

Motorists Encounter More Roadblocks

By KATHERINE BISHOP

SAN FRANCISCO
Sobriety checkpoints are among the most popular of the many ways state and local governments are trying to combat drunken driving. In Arizona, for example, 94 percent of the nearly 9,000 motorists who were surveyed after passing through one approved of them. But they are still under attack by civil liberties advocates.

"Everyone agrees that drunk driving is horrible," said Robert D. Durham, a lawyer who successfully challenged the constitutionality of Oregon's sobriety checkpoints this year. "Fortunately, we don't have popular votes on civil liberties. There are individual rights that the majority does not withdraw as it wishes."

In California, the State Supreme Court upheld a checkpoint plan in October. California has since joined the growing number of states that use the checkpoints — more than half have some kind of program — not so much to arrest drunken drivers, officials said, as to deter intoxicated people from getting behind the wheel.

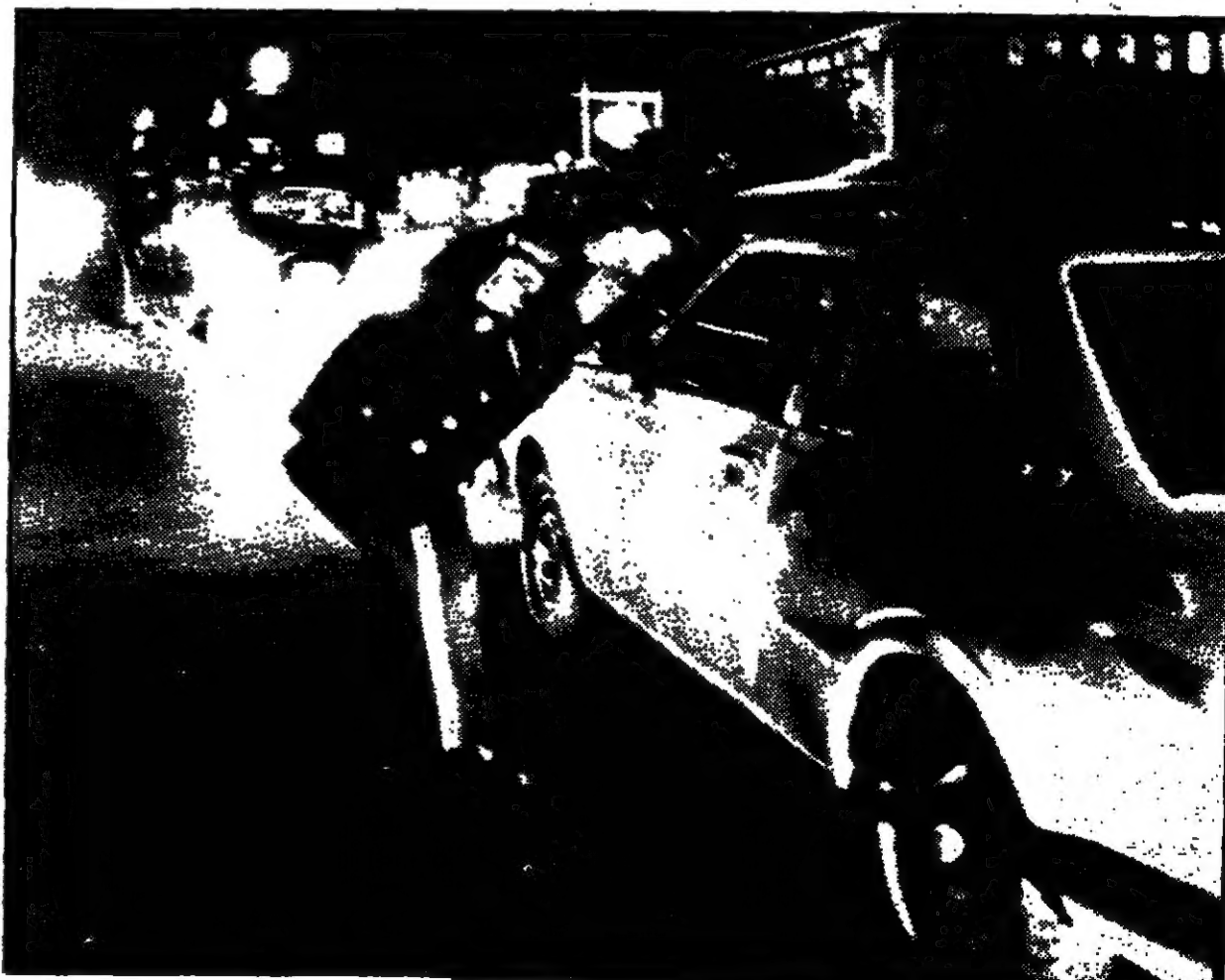
Signs and flashing lights warn motorists, and every fifth car is stopped. An officer explains the checkpoint to the driver while looking for signs of intoxication. If any are observed, the driver is sent to another area for a sobriety test.

But government experts say that prevention, not arrests, is the primary purpose of the stops. Combined with higher drinking ages and other sanctions, they say, checkpoints help control the number of traffic deaths caused by drunken drivers. That number, after declining for several years, rose slightly last year, to 23,987; experts believe that was simply because more cars were on the road. In 1980, alcohol-related fatalities were nearly 55 percent of all traffic deaths, while in the last three years the proportion has held steady at about 52 percent.

The Presidential Commission on Drunk Driving found last year that checkpoints are more effective when backed up with mandatory license suspension on the first offense, a penalty now imposed in 23 states, including New York, New Jersey and Connecticut. Even more important, according to researchers for the National Highway Traffic Safety Administration, is widespread publicity that alerts people to a checkpoint campaign.

Critics say the programs are an ineffective use of law-enforcement resources. In an 18-month checkpoint operation in Arizona, for instance, it took 3,161 man-hours to stop 31,134 cars; the police made only 167 arrests for drunken driving.

At the heart of the debate, however, is not the checkpoints' effectiveness but their constitutionality. The Supreme Court upheld the idea of checkpoints in a 1979 Delaware case, but said the programs must guard against "unbridled discretion" by providing procedures to be uniformly ap-



Police officers checking for drunken drivers in Southbury, Conn.

plied by the police. In 14 states, checkpoint programs have been challenged all the way to the highest appellate court. Most have been upheld; in other states, including Arizona, programs have been restructured to meet court guidelines.

The California case was a taxpayers' suit arising from a checkpoint in Burlingame, near San Francisco, in 1984. (Of the 233 motorists screened at this checkpoint, only 10 were asked to take sobriety tests and none were arrested.)

Analogy at the Airport

In a 4-to-3 decision, the California Supreme Court spoke of a "compelling parallel" to screening searches at airports. In both types of searches, the majority said, the police are not limited by the same Fourth Amendment restrictions against unreasonable searches and seizures that apply when their primary purpose is gathering evidence of a crime. Because the locations of the checkpoints were publicized and warning signs posted so that they could be avoided, the court said, the intrusion upon motorists was minimal and outweighed by "the magnitude of the drunk driving menace and the potential for deterrence."

The dissenting justices, however, said that the checkpoints should be justified like any other detention for law-enforcement purposes. "If we

abandon constitutional protections to combat every abhorrent crime which has captured the public's attention, we will find ourselves naked and unprotected in a hurry," they said.

Amital Schwartz, the San Francisco lawyer who represented the American Civil Liberties Union in the case, said the ruling "allows cops to have roadblocks and call them stops rather than criminal investigations."

On the other hand, the Oregon Supreme Court found in September that the state's constitutional provision against unlawful searches and seizures, which is essentially the same as California's, prohibited blanket screening procedures based on "unparticularized suspicion" that a crime may have been committed. As a result, sobriety checkpoints "are pretty clearly out in Oregon," said Virginia L. Linder, the state's Solicitor General.

Meanwhile, no technique has solved what many call the most serious problem: the growing numbers of drunken drivers with multiple arrests. The California Department of Motor Vehicles reported last month that the number of state residents with three or more drunken-driving convictions had increased 13 percent in 1986; to 23,000. And nationwide, about 20 percent of those who lose their licenses for drunken driving simply continue to drive without one.

Bringing Hollywood Hits to China

By RICHARD W. STEVENSON

JANET YANG remembers clearly the first time she saw an American movie in China. It was called "Nightmare in Badham County," and it was about the horrors and injustices heaped upon two women trapped in a backwoods town in the American South. "At the end of the movie, people came running up to me and said, 'It's so terrible that you have to live in such a place,'" Ms. Yang said.

That was in 1980. Today, if the sophistication of the Chinese about the United States and American films is vastly improved from the days when "Nightmare in Badham County" was a hit, it is in part because of Ms. Yang, the head of Far East Operations at MCA Inc., the parent company of Universal Studios.

Since 1985, the 31-year-old native of New York has been spearheading the joint effort of three of Hollywood's biggest studios — Universal, Paramount and MGM/UA — to sell their films in China.

Ms. Yang is one (almost surely, the one) Hollywood executive who can discuss Chinese history in fluent Mandarin as comfortably as she can take a meeting, as they say here, with Steven Spielberg.

Both skills come in handy, since she must explain the ways of Hollywood to the Chinese as she promotes the long-term business potential of China to entertainment moguls who usually measure success by overnight box-office reports.

It is a slow, somewhat frustrating process, subject to all the financial, political and cultural hurdles that might be expected when the decadent capital of Western entertainment meets the world's largest workers' state.

But two years after Universal and



MCA Inc.'s director of Far East operations.

Paramount joined forces to become the first American studios since the 1949 Communist revolution to strike ongoing distribution deals with the Chinese — MGM/UA joined the consortium later — China's appetite for blockbuster Hollywood movies, as for many things foreign, seems to be growing as it opens itself to the rest of the world.

Under the guidance of Ms. Yang, the three studios are selling China some of the most popular films in their libraries. "Love Story" opened last winter to packed houses in Beijing, where a movie costs about 8 to 15 cents. "Spartacus" and "Roman

Holiday" drew huge crowds later in the year. "In the Heat of the Night" is scheduled to open early in 1988. And in the works are titles ranging from "To Kill a Mockingbird" and "North by Northwest" to "National Velvet," "Earthquake" and "Airport."

Cultural aspects aside, the studios are dealing with China primarily to see if it will develop into the huge and profitable market that peddlers of everything from airplanes to train-paste have dreamed of since the Ping-Pong diplomacy of the early 1970's.

So far, China is mostly promise and little payoff, at least as far as motion

pictures go. Studios have long been wary of a Communist state that once was a Communist ally but that over the years has become an increasingly hostile one. The American film industry has been slow to move into China, and the Chinese have been slow to move into the American market.

Now, under the compromise agreement with the Chinese government, Paramount and MGM/UA payment is based on a formula involving the number of copies of the film distributed in China. The Chinese have agreed to pay for the film in hard currency, but the payment is not guaranteed. It is a market that can only be judged on its own merits.

Ms. Yang cannot give the revenue figures in detail for her Chinese venture. "I can't say how much we made in 1987," she says. "We made it all."

Whether or not the project pays off for Universal, Paramount and MGM/UA, it has already proved to be a dream come true for Ms. Yang. For years, she says, China and film have been her passions.

Her parents came to the United States from China as students in the late 1940's, and stayed on after the Communist revolution at home. Ms. Yang, a native of Queens, and raised

Arts & Leisure

on Long Island and in Scarsdale, N. Y. Her father is an engineer; her mother has worked at the United Nations.

As she grew up, she says, she thought little about her Chinese heritage. But in 1972, the year that President Nixon started the process of normalizing diplomatic relations with China, Ms. Yang went with her mother to visit relatives in a number of Chinese cities. The trip sparked an intense curiosity in the 16-year-old.

"It was a very moving experience," Ms. Yang said. "All of a sudden, I felt an intense connection to this great mass of people."

The feeling stayed with her at home; she pursued Chinese studies at Brown University in the mid-1970's and briefly in graduate school at the University of Michigan.

In 1980, with the help of a former professor, she landed a job as a translator and editor at the Chinese Foreign Language Press in Beijing (where she saw "Nightmare in Badham County").

Her time there gave her a much deeper understanding of China, and a new passion — film, an interest she says she first developed through friendships with some young Chinese directors.

After 15 months in Beijing, Ms. Yang returned to New York, where she tried, with little success, to sponsor some Chinese film festivals in American cities.

Film and China were still the constant themes in her life, she says, when she enrolled in Columbia University's graduate business school in 1982. After receiving her M.B.A., Ms. Yang worked for a year with a small San Francisco company, World Entertainment, distributing Chinese films in the United States.

One day while she was at World, she got a call from Charles S. (Skip) Paul, president of MCA Enterprises, an MCA subsidiary. Mr. Paul said he was going to China to try to distribute some films, and wondered if Ms. Yang had any contacts she could share.

As Ms. Yang tells it, she naively admitted to Mr. Paul that she had never heard of MCA but was happy to supply him with a few names. The two stayed in touch, and within a few months, he offered her the job of helping Universal Studios set up its deal

with Paramount and the Government of China.

In the two years that she has been head of MCA's Far East operation, she says, she has learned that Hollywood and China — seemingly an unlikely match — have a lot to offer each other. "One thing that's very apparent to anyone who goes to China is the tremendous and overwhelming curiosity about American culture," she said.

American films were popular in China during the 1930's and right up to 1949, the year of the revolution. Widespread distribution ceased when Mao Zedong took power, although a few films trickled in whenever the politeness of the day allowed.

Through it all, Ms. Yang says, the allure of Hollywood and the power of its imagery persisted. "The love for American movies is an incredibly powerful thing," she said. "Even when America was public enemy No. 1, that thread was never broken."

During the 10 years of the Cultural Revolution, ended in 1976, foreign films virtually disappeared in China. Indeed, only eight films, in all, were sanctioned for viewing. Ms. Yang says. Called "Revolutionary Model Operas," they had names such as "The Red Detachment of Women," and concerned themselves with the efforts of the proletariat to cast off the shackles of oppression.

Until the Universal-Paramount deal and Ms. Yang's efforts, the only American films widely seen in China were sold by independent producers under ad hoc arrangements. Although occasionally a well-known film like "Superman" might get limited distribution, most of the Hollywood movies that found their way to China were low-budget and were useful for making propaganda points.

In contrast, "Love Story," one of the most popular films distributed by Ms. Yang, does not carry any more of a social message in China than it did when it opened in the United States 17 years ago. If "Love Story" illustrates anything, Ms. Yang says, it is that films with simple plot lines play best in China.

"What works well is a good story," she said, adding that Chinese audiences "want to know what is going to happen. They don't want too much left up to the imagination."

A Haven for Innovators



Wu Tianming in the editing room at the Xian Film Studio

By EDWARD A. GARGAN

ONE DAY IN OCTOBER 1983, Wu Tianming walked onto the stage of the Xian Film Studio auditorium and looked over the 4,000 faces that he was to manage as the new studio chief. This is what he told them:

"This is the largest film studio in the country. Last year the Xian Film Studio produced more movies than any other film studio in the country. However, the Xian Film Studio did not have a single movie on the list of the world's 10 best movies. Instead, on the list of the world's seven worst movies, three of them were ours. Isn't this disgraceful? Of course it is disgraceful. When you walk down the street with a round metal film canister, you are embarrassed to let anyone glimpse the lettering on the can for fear they will know that you belong to this studio."

Since that day, Mr. Wu, an intense, compactly built chain smoker, has transformed the Xian studio in this city in the central part of the country into a haven for China's most daring and innovative film makers, a place where the abstract is more apparent than the tired didacticism of most Chinese movies. The heroic fighters of the Red Army don't storm the redoubts of reactionary lackeys here. It has not, Mr. Wu declares, been an easy road.

"It took me a month to figure out the problems of this place," he said, slouching in a red velvet-covered armchair during a recent interview at the studio. "The main problem was the quality of the workers. Only 8 percent of the workers had college degrees and only 11 percent were secondary-school graduates. Half the people here didn't know how to read or write. If you don't have people with any culture, how can you expect to

make films?

"The other big problem," he continued, "was that the administration of the studio was terrible. Eating from one big pot made everybody lazy. 'To eat from one pot,' an expression that has come to characterize the debilitating effect of Socialist egalitarianism, refers to the idea that everybody eats whether they work or not. 'The working style of the employees,'" Mr. Wu noted with a pronounced edge of sarcasm, "was quite relaxed."

Over the resistance of the entrenched Communist Party bureaucrats in the studio and the lethargy of the work force, Mr. Wu began to rebuild the studio. Employees were sent back to high school and some to college. English courses were instituted. Mr. Wu then stepped himself and his leading directors, actors and film crews in the ways of northwest China, the gullied and terraced Loess Plateau that has become the canvas for his cinematography.

"We organized trips up the Yellow River," Mr. Wu explained. "We had more than 10 actors and directors in the first batch. They saw some of the best parts of Chinese culture and they saw lots of backward parts of China."

The desolate poverty of this northern steppe formed the backdrop for "Yellow Earth," a movie by the young director Chen Kaige about the meeting of deep rural society and the ideology of guerrilla Communism in the late 1930's. The release of the movie in Hong Kong in March 1985 was hailed by foreign critics as the blossoming of a new age of Chinese films and the emergence of the so-called "fifth generation" of film makers, a group of young directors trained in Beijing after the Cultural Revolution. At the same time, the film was denounced by the cultural bureaucrats of Beijing, who complained that it glorified ignorance and poverty, that it demeaned the "revolutionary ardor" of the era, that it

was, in the final analysis, too hard to understand.

This new generation of directors has gravitated to the Xian Studio, drawn by the sturdy determination of the 48-year-old Mr. Wu that good films are made by directors who have the freedom to experiment, to challenge the orthodoxy that has so long regulated the arts here in China and, perhaps more importantly, even to fail.

"Some Chinese criticize us," Mr. Wu said. "They think that films like 'In the Wild Mountains' and 'The Old Well' win praise in international film festivals because some foreigners relish the depiction of backwardness in the northwest. This is a misunderstanding. We reflect the things of this region, not to show backwardness per se, but to show what sort of burdens the people of the northwest bear, what sort of difficulties they face."

Both "In the Wild Mountains," directed by the young film maker Yan Xueshu, and "The Old Well," directed by Mr. Wu, broadly treat the manner in which the stoic, almost petrified social culture of the northwest responds to the influence of the world beyond the village, beyond the confines of a single valley. Both films focus intensely on individual emotions and behavior, not in a formulaic or stilted fashion, but by capturing the mosaic of rural life, its gruffness, its preoccupation with the quotidian, and, most troubling to Communists, critics, its silences.

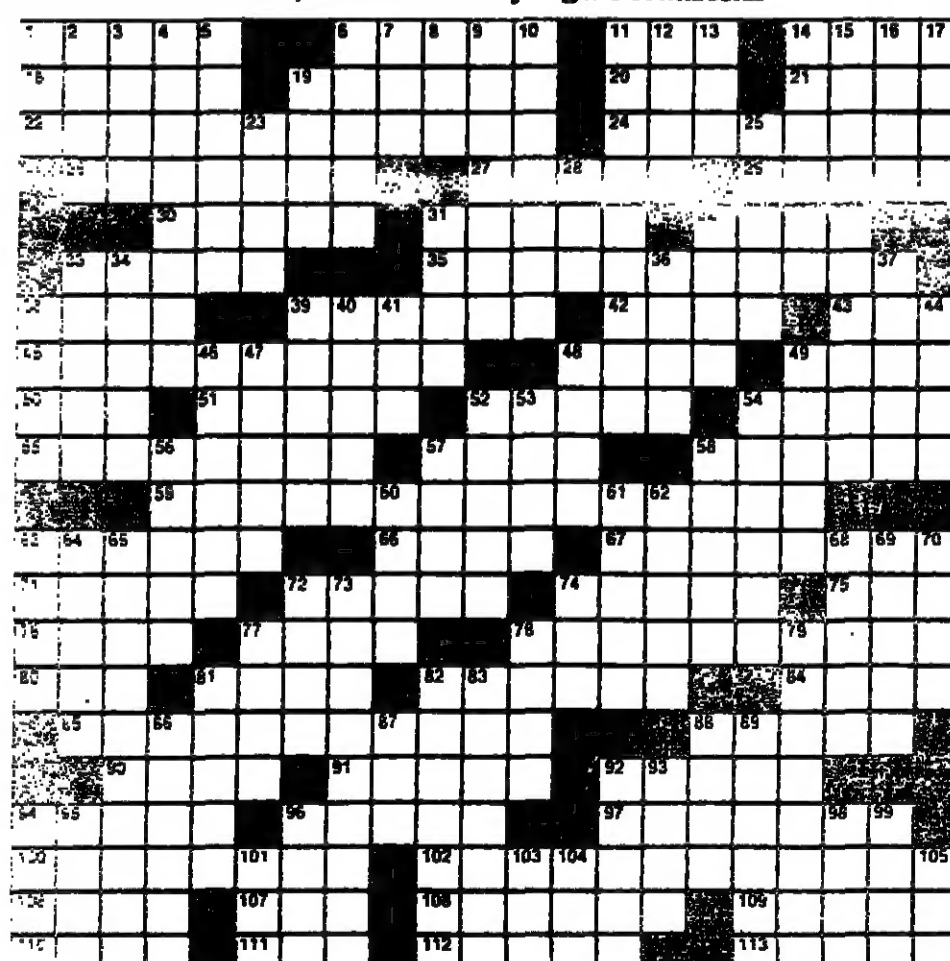
A recent Xian film, "The Horse Thief," depicting the expulsion of a Tibetan from his nomadic village for stealing horses contains almost no sustained dialogue — just the clipped exchanges of domestic life. The film's very abstractness insured that it would never be released for Chinese audiences. Instead, the film, a cinematographically vibrant collage of the Tibetan highlands, was circulated to film societies abroad.

Figuratively Speaking

BY VICTORIA BLACK AND ALEX F. BLACK/Puzzles Edited by Eugene T. Maleska

ACROSS

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- 76 Spot
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- 2 Native of
- 3 Branch of biol.
- 4 Unending
- 5 Flower part
- 6 Profundity
- 7 Dancer Michio
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- 9 Awns
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- 16 Thames River
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- 79 Wheeler-dealer
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- 84 Covered with
- 87 Standard for
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- 89 Card sequence
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- 94 Touched a
- 95 Shaft
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- 98 So long, in
- 99 Shipboard
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- 103 Careless
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First Test for Soviet Reforms

Has Gorbachev Already Lost Round I?

There's no doubting Mikhail Gorbachev's determination to breathe new life into the wheezing Soviet economy. But there are already reasons to think that his first round of reforms will fail.

The General Secretary's hastily prepared, superficial plans offer easy targets for the muscular Soviet bureaucracy. The best hope for lasting change lies in Mr. Gorbachev's ability to communicate with the Soviet elite. He will have to persuade them that there's no turning back, that the alternative to a competitive market-based system is stagnation and the erosion of political legitimacy.

The first serious test of perestroika starts Jan. 1, when the first of the major economic reforms take effect. Enterprises generating some 60 percent of Soviet output will cease being passive cogs in the wheels of the central plan. "Self-financing" plants will be free to bargain with suppliers and wholesale customers for some products. Successful enterprises will be permitted to keep much of their profits, with the extra rubles going into higher wages and fringes. Unprofitable enterprises will suffer the classic capitalist penalty: bankruptcy.

By 1991, all civilian production is to be similarly unleashed, and the fraction of output purchased by the Government pared to just 30 percent. Mega-subsidies that now encourage the waste of fuel and food will be phased out. Small-scale cooperatives will be encouraged to sell services like computer software and watch repair. And millions of acres controlled by collective farms will be leased to families for a share of the crop.

Those are the reforms. But even before the ink was dry on the decrees, the bureaucrats were sabotaging their effect. Only prices for new products will be freed. Enterprises will thus be under great pressure to retool for new products, but will remain obliged to meet ambitious output goals left over from the current central plan.

Managers' best way to avert early failure will be to give priority to orders from the state, whose bureaucrats can guarantee timely deliveries of scarce inputs. The decentralized wholesale market, key to efficient pricing, may thus wither before the first blossom.

Manufacturing is already highly concentrated and skeptics note that the decrees encourage large enterprises to grow still larger through conglomeration. The intent is to get the maximum bang from technology and to create a counterweight to the

Government ministries. The more likely effect, though, will be to create giant monopolies with the incentive and power to stifle competition.

Even if competition does prevail, it's far from clear that the fittest will survive. In a well-functioning market economy, success turns on managerial skill and hard work. Communist ideology, however, has apparently prevented the Russians from offering a practical way for well-run but aging enterprises to raise capital at competitive rates.

Halfway reforms could thus mean an avalanche of bankruptcies among undercapitalized, but otherwise worthy, enterprises. Perhaps a quarter of all enterprises are expected to be unprofitable the day they become self-financing. Each of them is thus turned into a natural ally of the bureaucracy in the struggle to beat back reform.

Sophisticated Soviet reformers acknowledge these obstacles but argue that they can afford to lose a few battles. Mr. Gorbachev, they note, is committed to dismantling the planning apparatus — one insider claims that 60,000 planners will get the ax this year in Moscow alone. And without the troops to support paperclip-by-paperclip planning, the old guard will just have to loosen up.

In any case, reformers argue, the early news won't be all bad. Family farming, combined with heavy investment in better rural roads and storage facilities, could improve the quantity and quality of food almost overnight. Far more money, they also point out, will go into housing, relieving the crowding so bitterly resented by ordinary citizens. The better basis for optimism, though, is that early mistakes are likely to push Mr. Gorbachev forward, not backward.

Soviet leaders may not know yet that growth depends on a radical move toward free markets. But they probably do understand that central planning-as-usual can no longer keep up with the complexities of a modern economy.

Thus, without successful reform the Soviet economy will go the way of Britain's: slipping toward senescence. That might not topple the ruling elite or threaten the ability of the Red Army to defend the homeland. It would certainly mean humiliation for those who claim to lead a world revolution.

Even this incentive to reform can't guarantee that the bear will find a way out of the Stalinist maze. American policy cannot soon be based on the expectation of successful restructuring, or even on Soviet will to keep trying.

To Improve Medicaid's Bad Deal

A new study finds that New York State's Medicaid program is one of the best in the country, but it costs New York City plenty. The city's share of the health insurance for the poor now comes to \$1.4 billion annually, a figure that has been increasing 11 percent per year, well above the national average. Yet too many city Medicaid patients still receive haphazard care. Mayor Koch's proposal to reshape the program makes eminent sense.

Some 1.3 million New Yorkers rely on Medicaid, whose cost is shared by Washington, Albany and City Hall. For most of them, the hospital emergency room serves as family doctor. Seeking help for a bad back, say, may mean hours of waiting while more urgent cases are treated. A follow-up visit won't be with the same doctor. The system permits no preventive medicine, which often saves plenty of money as well as suffering.

Medicaid patients are forced to use emergency rooms because few physicians will treat them for what Medicaid pays — \$11 for an office visit. Those willing to accept it usually set up sleazy "Medicaid mills," where volume comes first. Even doubling the rate might not bring in more legitimate doctors.

A mayoral task force therefore proposes a pilot program that would require 25,000 Medicaid recipients to join health maintenance organizations.

These offer medical services for a fixed annual fee. Such programs could give better care and save millions by encouraging preventive medicine and efficiency, without the carelessness of Medicaid mills.

Some critics object that the plan deprives the poor of freedom to choose their own doctors. But that choice already is limited to the emergency room and the Medicaid mill. The more germane question is whether the prospect of guaranteed income would motivate enough hospitals and other groups to set up conveniently located health maintenance organizations.

The task force recommended that the pilot project be set up where it is possible to find 25,000 Medicaid recipients and a variety of institutions willing to offer the service. William Grinker, Human Resources Administrator, says he has some possible locations in mind. But David Jones, director of the Community Service Society and a member of the task force, doubts that such a place exists. There may be no way, he suggests, to avoid hefty expenditures for new medical facilities.

For the moment, however, Mr. Grinker certainly deserves the chance to try. Medicaid currently offers both the city and the poor a bad deal. The only way to improve the terms is with bold experiments like this one.

Food Without Foam

The Styrofoam box with two compartments keeps the burger hot while the lettuce and tomato stay cool and crisp. But at what cost to the environment? The white plastic packages create hazardous waste. Tons of nonbiodegradable boxes and cups strain the nation's overflowing landfills. Burning can generate toxic emissions.

Richard Kessel, executive director of New York State's Consumer Protection Commission, sensibly calls on McDonald's, the largest fast-food chain, to switch voluntarily to recyclable paper wrappers. Not all jurisdictions stop at voluntary measures. In October, Berkeley, Calif., prohibited the use of foam packaging by fast-food restaurants. Rhode Island, Seattle and New York's Suffolk County are considering similar steps.

McDonald's agreed in August to phase out Styrofoam materials produced with chemicals believed to deplete the earth's ozone layer, substituting Styrofoam produced in a safer way. The company now believes that it is being targeted unfairly. Its food packaging is only a tiny part of the nation's solid waste problem. Still, it's a highly visible part. Burger King, McDonald's chief competitor, manages to keep burgers warm using recyclable paper wrappers.

While McDonald's weighs Mr. Kessel's request, he could insist that the state show the same responsibility it

Topics of The Times

asks of the fast-food chain. New York, like Vermont, could stop buying Styrofoam cups, plates and bowls for use in state offices and institutions.

Out of Register

Two million New Yorkers are eligible to vote but not registered. In October, Mayor Koch announced an ambitious campaign to sign them up with a late-November mailing of registration forms to every household in the city. Senators Moynihan and D'Amato agreed to contribute \$300,000 worth of their Congressional franking privilege. City officials hoped that the effort would swell voter rolls by at least 500,000.

The mailing has yet to go out, mainly because of problems with the Senate's equipment for folding and stuffing enclosures for the three million envelopes. The timetable now calls for New Yorkers to receive the forms by the end of January.

That would still leave time before the Feb. 19 deadline for registering to vote in New York's April 19 Presidential primary. But the delay could make it difficult for the city's Board of Elections to process the expected bulge. Last-minute efforts to sign up voters in 1984 kept the board busy round the clock. To insure that the campaign does not produce more frustration than voters, City Hall needs to plan now for beefing up the board once its pre-election returns begin to flood in.

Letters

Can Gary Hart's Return Improve the Debate?

To the Editor:

The question directed to Gary Hart, "Where's the Beef?" ("The Beef and Gary Hart," editorial, Dec. 16) is warranted. No vision comparable to Franklin D. Roosevelt's "one third of a nation is ill clothed, ill housed and ill fed" has so far emerged from the Presidential candidates.

A more comprehensive debate must first deal, Roosevelt-style, with the state of the nation. With increasing polarization between rich and poor, it's "one third of a nation" again, plus utter neglect of the infrastructure and deterioration of environment. Remedies are affordable if, instead of unproductive deal making, efforts are redirected toward projects that increase the purchasing power of workers and other low-income people, thus revitalizing the national economy.

But at a point in history when the future of the entire human race is at stake, the vision of the candidates must gain a global dimension. This not only in regard to arms races, where superpower leaders have at long last a chance to turn around a process that threatens nuclear extinction. Their perception must also encompass the threat to survival posed by the combined effects of staggering population increases in the third world, exhaustion of energy and other vital resources, and continuing destruction of the human habitat (through pollution, deforestation).

The nation that, in its Declaration of Independence, produced the world's first bill of "unalienable rights," should issue a Declaration of Interdependence, with corresponding "unalienable duties": the duty to prevent further environmental deterioration worldwide; the duty to turn

around population explosions where the pressure of additional millions on the developed countries will increase a thousandfold if no care is taken through development policies. Must a nation that was the hope and sanctuary of previous generations turn into one surrounding itself with barbed wire to keep out the new ones?

Such issues, vital for the future of all of us on earth, are absent from the Republican Party agenda. And while the six Democratic candidates have dealt with some of them, this has been mostly piecemeal and without grasping the interconnectedness of all the great issues of our time. If Gary Hart, with his "new ideas" (so far rather vaguely formulated) can contribute to making the debate a more coherent one, based on a comprehensive view of the world, his re-entry into the race may yet serve a useful purpose.

JOHN H. HERZ

Scarsdale, N.Y., Dec. 16, 1987
The writer is emeritus professor of political science at City College and the City University Graduate Center.

Farce or Paradigm?

To the Editor:

Gary Hart's re-emergence raises again a multitude of questions about Presidential selection. As a registered Democrat all my voting life, I feel a deep chagrin and trepidation, especially when I consider the generation of my coming-of-age children, with their sharp-eyed sense for the farcical in the spectacle before us.

Is the preliminary free-for-all the best we can hope for? Is it enough for a candidate to declare himself fit, without evidence of compelling qualifications for what is generally seen as the world's toughest job?

Of course Gary Hart has every right as a free citizen to exploit the occasion, just as I have an equivalent right to say humbug, Gary, go away. But there is an underlying distortion in this off-and-on candidacy, as if the picture that Gary Hart presents of error, atonement and, one supposes, reflection, added up to something solid. Is this a paradigm of "leadership"?
JUDITH E. PAGLIARO
Swarthmore, Pa., Dec. 16, 1987

Box-Office Politics

To the Editor:

The re-emergence of Gary Hart's campaign has highlighted the inane character of our Presidential campaigns. They are being viewed as cinema events and judged by early box office returns.

The scenario of Mr. Hart's reincarnation mocks our republican faith in the integrity of the voter's judgment. Candidates are rated solely by their effect on the metabolic rates of the passive Pavlovian electorate.

The news media are confused by the absence of front runners. They have become so smug in their role as chief critics that they blame the candidates for the play's having bombed. What they fail to appreciate is what the voters are reconfirming: that elections should be decided at election time — and not during Miller time.
GALE VAN RENSSLAER
Philadelphia, Dec. 17, 1987

No Saints Wanted

To the Editor:

Not everybody laughed when they heard Gary Hart had re-entered the Democratic Presidential race. Some, myself included, cheered. Perhaps people are laughing so hard, the press included, because Gary Hart makes them nervous.

All the "expert" prognostications for his future are very negative indeed, but I don't care, and I assume Mr. Hart doesn't either. He knows that many people are sick of being told what to think by the media.

I was momentarily stunned in May by the Donna Rice stories and the subsequent parade of experts who told us that this episode (and possibly others) indicates a character defect, a certain recklessness, they speculated, that might make him do something rash. I suppose, while in office.

After reflection, I decided that I didn't agree with that at all. I asked myself, why don't the media consider Ronald Reagan's well-documented lack of knowledge of history; of insight into the causes and possible cures of poverty or other dangerous and harmful shortcomings? I consider them. Perhaps others do too.

This character issue, and consequent scrutiny into the private lives of the candidates, has been created and propagated by the media. When will the media admit they make or break public opinion?

Mr. Hart's extramarital activities are his own business, and they do not reflect in any way his qualifications for the Presidency. I have no interest in a saint for President: I want an intelligent, insightful person with a genuine concern and plan for the future.
RAPHAEL GUAY
Hoboken, N.J., Dec. 17, 1987

When Heifetz Played On and On and On

To the Editor:

Among the tributes to Jascha Heifetz (obituary, Dec. 12), may I offer a small and treasured memory. In the halcyon days before war clouds obscured our innocence, there existed in Regent Street, London, near the present British Broadcasting Corporation, a concert hall. It was the Queen's Hall, which gave birth to promenade concerts, and it was to the Queen's Hall that celebrities and the public flocked.

Here, every Saturday afternoon, the seats would be removed from the auditorium to allow us to stand and listen. My home was around the corner, and I would spend all my pocket money and Saturday afternoons at the Queen's Hall.

I was 12 when Heifetz came. With him came a reputation for coldness and for never giving entrees. At 3 o'clock the concert began. At about 4:45 it ended, and Heifetz left the platform. The audience, mainly young people, went wild, screaming, clapping, shouting. Heifetz returned, minus his violin. The clapping and shouting continued. He bowed, left — and returned with his violin.

The noise rose to a crescendo, which was promptly stifled as he began to play. At the end of the en-



core, we rushed toward him, and presently as many as could scramble onto the platform, climbed up, and we sat at his feet as he began to play. And he played, and he played, and he played. It was only as the time for the evening performance, at 8 o'clock, approached that he stopped.

That afternoon, and the smile on the face of Heifetz, are etched in my memory among the treasures that nothing will erase.
LILY LEVENE
Sea Cliff, L.I., Dec. 13, 1987

Foreign Goods Are to Be Found in China, but Not From U.S.

To the Editor:

On a recent trip to China, I was impressed by the abundance of American tourists and the amazing lack of United States goods. The Japanese presence is well established with all of its electronic goods, its cars and numerous other items, as also seen in the United States. A European presence was there, and a surprising number of Volvos, Mercedes-Benzes and BMWs were to be seen.

In addition, buses were frequently made by Mercedes, Volvo, Mitsubishi. In stores and shops there was access to European goods, for example, Zeiss lenses and Philips electronic products, and of course the usual array of Japanese products. There were no American-made goods. The story that was given to me

is that Americans are not aggressive in attempting to sell to the Chinese nor have they set up mechanisms for maintaining or increasing sales as the Japanese do and do very well.

However, to my way of thinking the absence of American goods may be accounted for by their lack of quality. Although the exchange rates between dollars and yuan has an effect, these are fixed by the Government and probably less of a problem than lack of quality. The Government does not hesitate to buy Mercedes buses, and individuals are seen with more expensive German, Swedish or Japanese automobiles (not in huge numbers; mind you) because they are willing to buy quality, but are apparently not willing to pay a lot to buy junk. The American presence was ac-

tually less than that of third world countries. I suspect that although foreign exchange costs may have a lot to do with trade with the Chinese, much has to do with the unwillingness of the Chinese to buy what they perceive to be shoddy goods. The same scenario exists in Europe.

I would hope the message would someday get to the United States Government and the business community. They will have to produce goods that people will buy, that is, if there are any manufacturers left to produce goods. (When this trip was being made, General Electric had announced its inability and unwillingness to compete and was discontinuing production of domestic electronic goods.)
HAROLD J. WANEBO
Providence, R.I., Dec. 15, 1987

Market Reverses and Tax Reform Can't Deter American Charity

To the Editor:

What the success of the annual New York Times Neediest Cases Fund underscores is that neither the stock market plunge nor tax reform, which diminishes tax relief for charitable giving, has the effect of deterring the American people from supporting worthy charities.

A plummeting stock market, however, is bound to have an impact on philanthropic giving. Clearly, foundations whose portfolios have diminished, will not have as much money to distribute. Corporate giving may also be affected, particularly if the business of the corporation declines and the management, responsible to its shareholders, adopts a stricter policy on charitable giving.

However, 90 percent of all giving in the United States is individual giving. The assumption that individuals will give less because they have experienced real losses or just feel poorer implies that charitable giving is a kind of luxury item — a luxury item that will be among the first to go

when there is a shift in the financial circumstances of an individual.

I believe this notion is false and that the grim forebodings of some fund raisers do not begin to do justice to the essential charitable nature of the American people.

No other country in the world has a history of philanthropic giving like the United States. Lawrence Lindsey, a Harvard University economist, has recently analyzed giving patterns in the six years since 1980 in which the market dropped by more than 20 percent. Notwithstanding market declines in 1982, 1986, 1970, 1973 and 1974, philanthropic giving rose in each of those years. Neither fluctuations in the stock market nor chang-

ing tax laws have affected this upward trend.

It is prudent and sensitive for institutions to consider the recent stock market reverse when planning for solicitation. But it is cynical and it demeans the motives of donors to assume that individuals will give only in a bull market.

Fund raisers have an obligation to be particularly clear about the needs of their institutions without having to resort to any gimmickry and hyperbole. Donors are well aware that the needs of the many worthy causes that they support will not disappear because they have suffered market reverses.

SHEILA LEVIN
New York, Dec. 16, 1987



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ABROAD AT HOME

Anthony Lewis

Time For Truth

American supporters of Israel have made a crucial difference to the Jewish state's safety and development. They have reason to be proud of their effectiveness. But the time has come for them to recognize that they do not serve Israel's real interest if they rise automatically to the defense of everything the Israeli Government does.

The protests by Palestinians in Gaza and the West Bank, and Israel's harsh measures to suppress them, are the urgent occasion for reflection. The events have in fact troubled a good many supporters of Israel. Some prominent American Jews have voiced their concern.

But most of the leaders of the big Jewish organizations, the ones with political clout, have lined up behind official Israeli policy, not even criticizing the use of live ammunition against demonstrators. After the Israeli ambassador spoke to the Conference of Presidents of Major American Jewish Organizations its chairman, Morris B. Abram, issued a statement saying in part:

"The continuing series of riots and acts of violence in the West Bank, Gaza and parts of Israel have been planned, instigated and incited by Palestinian terrorist groups led by the Palestine Liberation Organization and Moslem fundamentalist groups.... In the face of this continuing series of provocations Israel has sought to react with restraint."

I read that statement with particular surprise and regret because I knew Morris Abram, in another context, as a man sensitive to those deprived of

Ending the occupation is a necessity for Israel.

basic rights. As a lawyer in Atlanta, decades ago, he fought racism and the dilution of urban voting power.

In the old American South, the white power structure always maintained that "its Negroes" were contented until "outside agitators" stirred them up. Mr. Abram would have laughed at that. He knew that people who were denied rights and who were kept in line by force did not need outsiders to make them feel resentful.

The Palestinians in Gaza live in circumstances of crowding and misery, without political rights, serving as a pool of cheap labor: Israel's Soreto, as the Israeli writer Amos Elon has said. Yet Mr. Abram says it took outside "terrorists" to incite them.

The Reagan Administration, which has been reluctant to disagree with Israel about anything, finally was driven to criticize the handling of the protests in the occupied territories. It deplored Israel's "harsh security measures and excessive use of live ammunition."

That brought complaints from the leaders of the major Jewish organizations. Mr. Abram and two dozen of his colleagues went to the State Department and objected, as he put it, to the "equation between those who have responsibility under international law, namely Israel, to maintain law and order, and those who were trying to uproot law and order."

When South African troops use live ammunition to suppress and kill protesting blacks, would Morris Abram and the others object to criticism of the troops? Of course not. They would see that much more is involved than "law and order." They would see the fundamental political cause of the tension.

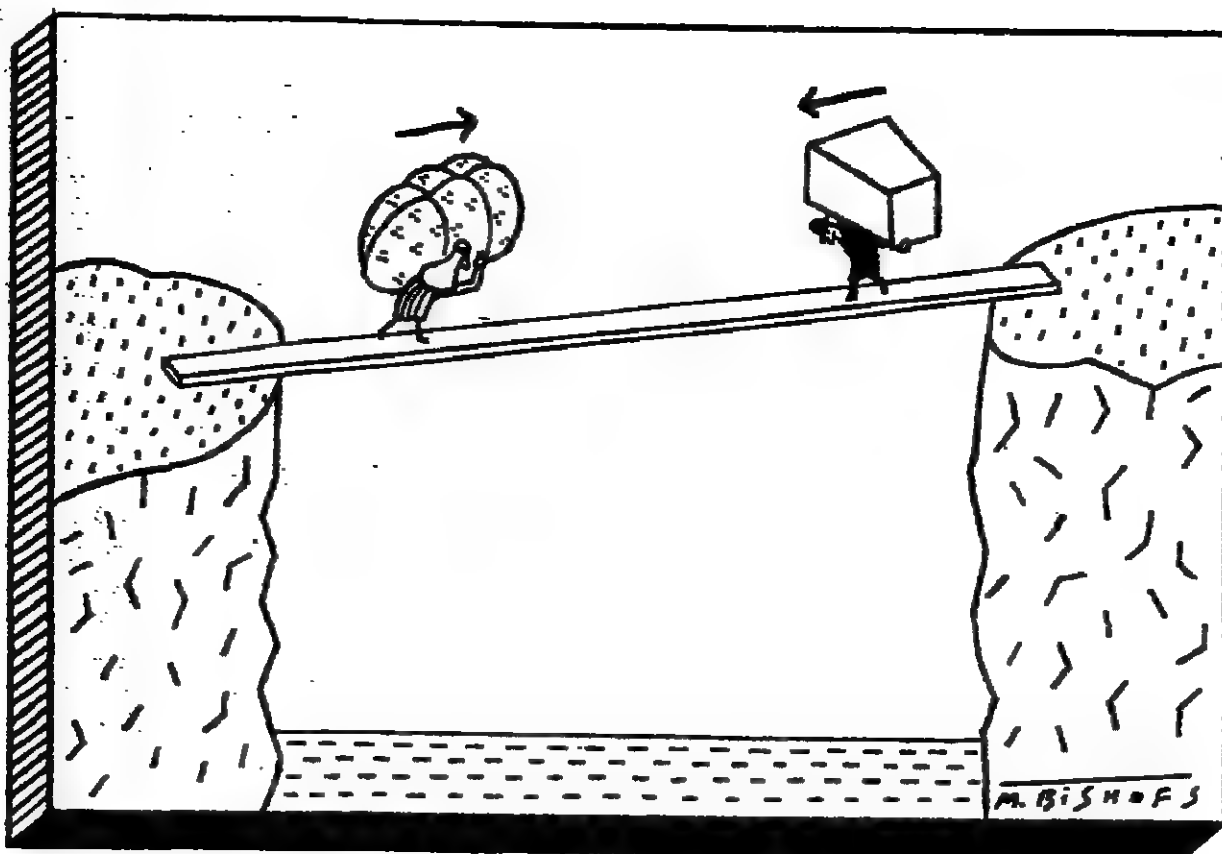
It is the occupation of territories inhabited largely by Palestinians that underlies the trouble in those territories. Most American Jewish leaders really understand that. The American Jewish Congress warned in September that violence might result from "Israeli rule of a resentful Arab population."

But when it comes to ending the occupation, few of the important American Jewish leaders are ready to press Israel. Instead they find excuses for the divided Israeli Government, and they attack any U.S. politician who dares to differ with Israel.

They do not seem to understand how urgent it is to end the occupation — not as a favor to Palestinians but as a necessity for Israel. As a White House spokesman put it, the continuing occupation exacts "a toll on the 1.5 million Palestinians in the territories and on Israel itself."

Those leaders might think about a small recent news item. Fifty Israeli teen-agers who were about to be drafted said they would refuse to serve in Gaza or the West Bank. They are like the young white men who in growing numbers are refusing to serve in the South African Army.

Negotiating a way out of the West Bank and Gaza is hard. But there are ways to begin: Stop building Jewish settlements in the territories. Start talking to the known Palestinian leaders on the ground, the elected mayors removed from office by Israel — including the moderate Mayor of Gaza, Rashid al-Shawa. Make clear you know that more is involved than law and order. The alternative is disaster.



Israel's Tough Choice

By Stanley Hoffmann

CAMBRIDGE, Mass. — The violent disturbances among Palestinians in the territories occupied by Israel and among Israeli Arabs are not surprising. What is astonishing is the blindness of American policy and the inability of Israeli politicians to draw sensible conclusions from stark realities that are only likely to get worse.

United States foreign policy, we are told, has taken the promotion of freedom and democracy as its overriding objective. This is what lies behind the so-called Reagan Doctrine and has made this Administration support not only the forces of resistance in Afghanistan but such dubious "freedom fighters" as Jonas Savimbi's men in Angola and the contras.

The only area for which we do not seem to be bold enough to ask for self-determination is the West Bank and Gaza. We have accepted 20 years of Israeli occupation and settlements on Arab lands, and in our most daring moment, during the Carter Administration, we proclaimed our willingness to allow the Palestinians to participate in the determination of their own fate — no more.

There can have been only three reasons for such timidity.

One was the belief that the occupied Arabs would gradually resign themselves to living as inferiors in a greater Israel, or, at best, accept autonomy without sovereignty, even though sovereignty has been demanded and obtained by virtually

Stanley Hoffmann is chairman of the Center for European Studies at Harvard.

Don't Water Down The Antifraud Law

By John Conyers Jr.

WASHINGTON — The most infamous and significant insider-trading case in the nation's history was concluded when Federal District Judge Morris E. Lasker sentenced Ivan S. Boesky to three years in jail for conspiracy to file false trading records. The prosecutor spoke at sentencing of "rampant criminal misconduct" that appears to have involved not only Mr. Boesky but at least five major brokerage houses. But something was conspicuously absent from the criminal sentence: a significant fine commensurate with the crime.

The judge's rationale for not imposing a fine was to make available Mr. Boesky's assets to private plaintiffs victimized by his criminal schemes. Regrettably, that sensible approach will soon be impossible if the securities industry succeeds in its efforts to convince Congress to water down the antifraud law under which many of Mr. Boesky's victims are suing.

The securities and financial lobbies are making a top priority of legislation that would drastically reduce the financial liability of inside traders and other crooks and cheats under the civil provisions of the Racketeer Influenced and Corrupt Organization Act, known as Rico.

Rico is especially important to victims because it allows for triple damages — a tough provision needed to return monies defrauded and to deter the criminal misconduct of which the Boesky prosecutor spoke.

The securities lobby, rather than acknowledging a real and fundamental problem on Wall Street, thumbs its nose at measures to make the industry accountable. It is seeking a bill that would modify Rico so that victims of securities fraud could recover only actual damages, instead of triple damages, and that would bar any Rico suits by victims of insider trading. Both provisions would be retroactive. Mr. Boesky's lawyer could not have crafted a better bill.

Rico was enacted in 1970 to give public prosecutors a way to deal with the scope of organized and white-collar crime. The financial lobbies now

John Conyers Jr., Democrat of Michigan, is chairman of the House Judiciary Subcommittee on Criminal Justice.

every colonized people in the former empires of Europe and the United States. The events of recent weeks have shown that time, far from bringing accommodation, breeds increasing resentment and radicalization, the demise of the moderates and the rise of fundamentalist despair.

A second reason was the hope that Israel would somehow reach, with King Hussein, a "Jordanian solution" for the Palestinian problem. Not only has the Israeli political class never been sufficiently united to accept delivering the bulk of the occupied territories to the King, but the residents of those areas have made it clear that they do not want to be dealt with like cattle by the Jordanians and the Israelis, and that they want a nation of their own, despite all the enticements offered by Jordan with Israeli acquiescence.

A third reason is the fear that a Palestinian state would be an intolerable threat to Israel's security and survival, and would be the center of revolutionary fervor in the middle of the Arab world. But revolutionary fervor is likely to grow out of Israel's denial of the right of self-determination to the Palestinians.

The way to deal with Israel's genuine and essential anxieties is to negotiate with the Palestinians, who until now have supported the Palestine Liberation Organization as their representative, about limits on military sovereignty that a Palestinian state would have to observe.

For years, there have been indications from the P.L.O. that Israel's recognition of the right of the Palestinians to have their own state would prompt the P.L.O. to recognize Israel and find it willing to negotiate with Is-

rael about Israel's legitimate concerns. The P.L.O. remains anathema to many Americans and Israelis. But should the Palestinians cease to see it as their spokesman and defender, we are likely to face a far worse situation in which there would be nobody to negotiate with, either because of factional splintering or because of the development of a far more extremist and intransigent leadership.

Time is never on the side of those who let poisons fester and Gordian knots get tighter. Israel faces a choice. Either it gets rid of the occupied territories in such a way that the settlement leads to the least unstable solution (which, strange as it may seem to many Americans, suggests a national rather than a Jordanian outcome, given the Palestinians' wishes). Or else Israel will become another South Africa, depriving the occupied Arabs of the rights Israelis enjoy, doomed to subjugating an alien population that might soon become the majority and driven toward ever harsher measures of repression or expulsion that make a mockery of Israel's original ideals and values.

America, as Israel's greatest friend and supporter, does Israel no favor by continuing to close its eyes and by limiting itself to bland admonitions and pious wishes.

argue that the law should be limited and that Congress's intent was to get at organized-crime figures (those whose names end in vowels). But victims care little whether their life savings are stolen by mobsters wearing black shirts and white ties or stock brokers in Brooks Brothers suits and white collars, and Congress expressly rejected any such limitation.

White-collar criminals cost the nation nearly \$200 billion annually, nearly as much as drug traffickers. Consider bank fraud and its effects as another graphic example of what that means: About half of the recent bank failures and one-quarter of the thrift failures — each running at post-Depression highs — involved criminal activity by insiders, few of whom, according to a Congressional survey, were adequately punished.

Following the stock market collapse in October, which revealed some questionable practices by aggressive brokers, we need more accountability, not less. Small investors seem to have been hit the hardest. The North American Securities Administrators Association told a Congressional committee the other day that its analysis showed an average loss to individuals of \$170,000, a figure far beyond many initial capital investments.

Especially important, said the association, was the inadequate supervision of greedy brokers, who sought higher commissions from unsophisticated investors, advising them to open high-risk option accounts, conducting unauthorized trading on their behalf and failing to disclose many of the risks of their trading strategies.

Rico does need reform but not the type or extent that Mr. Boesky's lobbyists seek. Rather than being abridged, the law should be extended to such areas as bank fraud, racial and ethnic violence and toxic waste. Fine-tuning the requirements needed to bring a suit could adequately distinguish frivolous suits from meritorious claims and hold accountable not only drug dealers but also crooked stock brokers.

No segment of society merits special treatment, certainly not retroactive relief from present civil liability. As the Boesky scandal and the stock market crash demonstrate so amply, we need laws that will take the measure not only of organized but also of white-collar crime.

ESSAY | William Safire

Hart's Hidden Helpers

WASHINGTON — The hidebound power brokers of the Democratic political establishment must be in cahoots with the panjandrums of the media mafia to bring about the nomination of Gary Hart.

His populist strategy could not have been made more plain: to go over the heads of the politicians and pundits who condemned him, and by goading them to new heights of arrogance, to "let the people decide" if his admitted private transgressions made him ineligible for public office.

Both pots and pundits fell all over themselves to cooperate with the Hart strategy.

Democratic muckymucks fumed at the colossal gall of the man, to seek a comeback without clearing it with them, the Democratic national chairman broke the rules of neutrality to humph loudly; the six-pack of candidates in the field were horror-struck at the prospect of competition from a famous campaigner.

In Florida, the state chairman spluttered that he would prevent Mr. Hart from getting on the Democratic ballot, that denial of voter rights was a bit much, and after it became clear that it would cause a convention credentials crisis, the chastened official ever so quietly backed off.

But outraged mediocrity could even the apoplectic pots. By what right did anyone refuse to bow to the sober moral judgment of the keyhole press? Even Richard Nixon had "re-

maynack" tells me that Jesse Jackson, who will have a large bloc of delegates at the convention, already has made a welcoming overture by telephone this week to the man he sees as a potential winner.

We'll see a handful of savvy pots quietly move toward Mr. Hart followed by a couple of constituency-conscious feminists, thereby diluting the purity of the present confrontation.

Worse, the media pendulum will swing, as it always does, a few reporters will undertake contrarian analysis and stop extolling the Hart campaign as "self-sustained." Television interviewers will learn that a brief mention by Mr. Hart that his headquarters is in Kitteridge, Colo., has drawn mail with checks totaling nearly \$5,000 a day. A liberal pundit or two (not suspect, as I am, of delighting in Democratic disarray) will note that Mr. Hart is not talking about "tough choices" but is actually making them in handwritten speeches.

The ready availability of Mr. Hart on substantive matters contrasts with the remoteness of others. George Bush, alone of 12 announced Presidential candidates, has declined to appear on Martin Kalb's serious interview series, the Vice President fears arms-for-hostages probing. Mario Cuomo, the Democrats' last-ditch stop-Hart candidate, limits appearances to cream-puff forums where he can avoid tough questions on his Gorbachev-aushing.

In that light and at that point, with politicians heaping their bets and the huffy media loosing their indignation, the initial Hart anti-establishmentarianism will have to adapt. As a Hart nomination ceases to be unthinkable, his party opponents will press the claim that he is "unelectable" — that no man who is the butt of dirty jokes can win.

This "can't win" technique was first used in U.S. politics by the wirepuller Thurston Weed against Henry Clay in 1840. It worked against Clay, and again against Robert Taft when used by Eisenhower men, but failed when tried by Rockefeller against Nixon in 1960 and 1968. The perfect antidote to the can't-win poison now called "unelectability" is in primaries. Losers cannot credibly keep calling a winner a loser.

The forces that against Mr. Hart, so helpful to him, will crumble soon after he has used it as a launching pad. Deprived of that supportive opposition, he will have to answer the subsequent "unelectable" charge by winning most of the weekly primary elections. Then, at the convention, the anybody-but-Gary diehards will be forced to test the strength of the Affinity of the Outsiders.

Is Gary unelectable or ineluctable?

decorum to wait years before coming back — who could dare a comeback after a mere six months of penance?

The psychiatric couch potatoes of talk shows and news magazines fixated on Mr. Hart's ulterior motive — as if the motive of all the other candidates was something far nobler than a normal desire to run the country or a politician's need to be No. 1.

Thus has the Hart strategy been successful so far: the pots and the press are lined up nicely against Mr. Hart and the people. Can the discipline be maintained?

This Hart honeymoon of moribund opposition can't last. Sooner rather than later, some shrewd old Democratic pots will grasp the coming Affinity of the Outsiders: a Southern-

Improving Service

A recent study authorized by the state Public Service Commission (PSC), the watchdog agency that represents the interests of utility customers, said that one of its "more reassuring findings" is LILCO's renewed commitment to its customers and the public in general.

In the past year, the people at LILCO have launched a number of customer outreach programs that the PSC study called "innovative" and having "favorable impact on real customer service levels."

For instance, LILCO is the only utility in the state to have 24-hour, seven-day-a-week consumer phone service. By simply calling the phone number on their bill, customers can do business with LILCO at their own convenience, anytime day or night.

LILCO is also looking out for customers with special needs. LILCO's "Golden Link" program provides Senior Citizens with many extra services, including a toll-free senior hotline, 800-542-4111, to get tips on cutting energy bills, and information on other special programs available to them. LILCO's "Peace of Mind" program offers a worry free extended payment plan for hospitalized customers, and the Company has special equipment to help those who are hearing or speech impaired communicate with our customer representatives.

LILCO's outreach also includes programs to assist low-income families, and teach children the safe use of electricity through home Safety First kits and live school demonstrations.

LILCO people also are working hard to improve the reliability of electric service. Trees interfering with electric lines can be a big problem. Customers can call toll-free, 800-LIL-TRIM, to report trees that interfere with power lines. LILCO will survey the problem within 48 hours and schedule professional trimming work. LILCO has already provided this free service to more than 50,000 customers.

There's a new attitude of helpfulness at LILCO, and consumers are noticing a difference. Customer complaints to the PSC recently reached an all-time low, and with new and expanded services, LILCO has the lowest complaint rate of any utility in the downstate region.



This is one in a series about energy issues facing Long Island.

When the World's Growth Slows

By STEVEN GREENHOUSE

PARIS World economic growth has been shrinking and shrinking, but so gradually — and so inexorably — that economists have grown accustomed to the numbers. Yet a stark tale emerges when those numbers are added together year after year and their impact is examined.

There is an academic ring to the words "slower international economic growth." But translated into human terms, these words lose their textbook abstraction. They mean longer unemployment lines from the north of England to northern Ohio and fewer opportunities for 16-year-olds from Pasadena to Paris. In the developing world, they mean something even more painful: malnourished children, ramshackle housing, high rates of infant mortality. Together, they weave a quilt of many interconnecting colors, and that is the only way they can be looked at: Economists have long recognized that slower world growth hurts everyone, from the richest nations to the poorest and that all are bound together.

The numbers are telling: In the 1950's and 1960's, the global economy grew by about 5 percent a year, sending living standards galloping for-

ward in much of the world. In the 1970's, growth fell to slightly above 3 percent, and in the 80's it has slipped to about 2.3 percent. The outlook for the next few years is for a continued slide.

The slowdown is having serious effects on expectations and living standards in much of the world. For the average American worker, the slowdown in growth has meant that real income has not risen since 1973. In Europe, growth has been so slow that the jobless rate has soared to over 11 percent. For the debt-plagued nations of Africa and South America, this slowing trend has pushed per capita income 15 percent below the levels of 1980.

Yet, as 1988 dawns, many economists believe the world faces a rare opportunity in economic history. For the first time, they say, the leading industrial nations might have the power to reverse the slowdown, mainly because of an unusual confluence of circumstances. Inflation and budget deficits have been tamed in many nations. Corporate profits are healthy and interest rates are lower than they were a few months ago. Several important technological breakthroughs, such as fiber optics and superconductors, are waiting to be spread through the world; big technological advances often push growth by creating new opportunities and jobs.

"The conditions for going back to 3 to 4 percent growth in the world economy are actually better now than they have been at any time since the 1960's," said Stephen Marris, senior economist with the Institute for International Economics in Washington.

Yet if the leading industrial nations fail to work together to help reduce trade imbalances and push growth upward, some economists warn of serious trouble ahead. The world's fragile financial markets could take another deep plunge, they say, dragging down the world economy. If growth rates continue sliding, the trend could usher in an era of downward mobility, forcing people to work harder just to stay in the same place economically. If economic growth falls below the 1 percent population growth in much of the industrial world, people will have to struggle to keep their living standards from falling.

Such an era of frustrated expectations could heighten tensions in the industrial world and political instability in the third world. In developing countries, it could exacerbate an already grave situation: As per capita income declines, poverty increases from one year to the next.

"This slowdown makes it particularly difficult for the really poor countries to grow," said Angus Maddison, author of several books on world growth rates and professor of economics at the University of Groningen in the Netherlands. "Their growth is intertwined with the industrial world. They should be catching up to us and growing faster, but they are having problems because our growth has slowed."

Technically, growth is defined as the increased output in a nation's goods and services, covering everything from housing to hospital care. Many factors — from technology to

economic policies — can help growth, 25-year period after World War II was extraordinary because growth levels far exceeded historic norms, they say there is no reason why growth rates in the 1990's cannot move closer to levels of the 1960's.

Getting there from here will not be easy, however. In the last five years, a stubborn third world debt crisis has slowed growth in both developing and industrial nations. The United States, once an all-powerful locomotive that pulled weaker economies along with it, has been plagued by huge trade and budget deficits that it seems unwilling to reduce as fast as the rest of the world would like. And West Germany, Europe's most powerful economy, is so nervous about increasing inflation that it does not want to stimulate its economy nearly as much as other nations want.

In recent years, many governments tried to fight inflation at the expense of growth. Now, economists say, they must shift gears and focus more on promoting growth — using policy vehicles that could range from more government spending to investment incentives while keeping inflation under control.

The huge trade imbalances, which have roiled stock and foreign exchange markets since mid-October, must be cut before the world can move into a smoother — and faster — growth period.

Many economists say that unless stronger steps are taken to slash America's \$155-billion trade deficit

growth could become a hostage to domestic political constraints. Bonn and, to a lesser degree, Tokyo, fret that greater stimulus will mean increased inflation and angry voters. In an election year, Washington worries about how voters will react to higher taxes or more budget cuts.

"Coordination means each would have to do what's good for the world economy, but they don't want to do it," said Lester Thurow, an economist and dean of the Sloan School of Management at the Massachusetts Institute of Technology.

The oil shock of 1973 is often called the turning point when world economic growth started to slow. But other forces were already at work.

Consumer demand was explosive after World War II. In North America, Europe and Japan, families rushed to buy homes, cars and televisions, helping to create a golden era of sustained growth. Europe's economy forged ahead as it rebuilt. And Europe and Japan bounded ahead as they adopted many of the advanced technologies that the United States had monopolized. This meant huge investments as well as great strides in productivity and growth.

Simultaneously, major tariff reductions, brought about by successive rounds of multilateral negotiations, produced a trade boom that was a catalyst for growth. By the early 1970's, however, the factors that fostered strong growth were largely played out.

Then came 1973. OPEC nations quadrupled the price of oil, and the oil

and Japan's and West Germany's huge trade surpluses, markets will remain unstable and interest rates will rise. That could lead to a sharp economic downturn, making it hard for growth in the 1990's to outpace growth in the 1980's.

"What is holding us back from achieving faster growth," Mr. Marris said, "is we have to correct this incredible disequilibrium, and it will be very difficult to do that while avoiding a recession."

Mr. Marris was one of 33 prominent economists from 13 countries who signed a statement earlier this month calling on Washington, Bonn and Tokyo to take more decisive actions to reduce trade imbalances. The economists said Washington should try to cut domestic demand and imports further, and must go beyond its recent deficit reductions. It must, they say, cut its \$150 billion deficit by an additional \$40 billion a year for several years.

The economists also urged West Germany to raise imports and accelerate and expand tax cuts scheduled for 1990. And they urged Japan to push domestic demand growth above 4 percent a year.

Although some economists agree on what these three nations must do, they say improved world economic

shock cut into purchasing power, hit corporate profits and created a wave of uncertainty that slowed investment. It also produced a recession in the United States and the first post-war recession in Europe.

"That created a globalization of economic problems," said Rudiger Pohl, professor of economics at Hagen University in Germany.

About the same time, the world was rocked by another economic shock: the decision to abandon fixed exchange rates in favor of floating ones. Many economists said companies began hesitating before they invested, even when demand and profits were strong, because they feared future exchange rate fluctuations.

Many conservative economists — and even some liberal ones — say the development of the so-called welfare state in many industrialized nations also placed a brake on growth. Productivity growth and investment were discouraged, they say, by the increase in regulations on industry as well as higher taxes that supported more generous social programs.

Higher taxes, higher inflation, greater uncertainty from oil shocks and exchange rate volatility all contributed to a declining rate of investment. Business investment had long served as a powerful flywheel that kept growth humming even when consumer spending slowed. Sluggish investment reduced the flywheel effect, cutting growth and raising the volatility of the world economy. That provided another disincentive to investment, which hurt productivity growth. Rising productivity is vital because it allows for faster economic growth without inflation.

During the 1970's, governments began an about-face, trying to slow growth in order to stamp out inflation.

Then came the 1979 oil shock. Creeping inflation began galloping; fighting it became a priority worldwide. Governments slammed the brakes on growth — in ways that ranged from curbing spending to raising interest rates.

"In the 1980's, governments were willing to push against capacity more than they are today, and there was a kind of optimism about the inflationary consequences, a feeling that inflation could be limited or that it could be lived with," said Georges de Menil, an economics professor at Paris's Ecole des Hautes Etudes en Sciences Sociales. "That feeling has changed profoundly throughout the industrial world. That is one reason why growth is not faster than it is today."

But according to Professor de Menil, today's slower growth — provided growth continues — might be smarter than the go-go growth of yesterday because it is less inflationary and therefore more sustainable.

Nevertheless, many economists see several underlying problems with the slow-growth, anti-inflation approach. In particular, they say, the fight against inflation is causing economic growth to fall short of its potential.

Now many countries — especially West Germany — seem to be trying to keep demand modest to help hold down inflation. For many governments, the emphasis has been on the supply side — reducing regulations, taming unions, lowering taxes — in order to encourage investment.

Another problem that many economists see with the anti-inflation fight is that Europe and Japan have taken one approach and the United States took another. After the 1979 oil shock, Europe and Japan adopted policies of fiscal consolidation, slashing budget deficits and cutting the ratio of their budgets to their gross national product. Meanwhile, in Washington, the Federal Reserve Board jacked up interest rates to help whip inflation and the Reagan Administration pushed through huge tax cuts that produced gargantuan budget deficits.

Taken together, these disparate approaches sent the dollar soaring and generated a huge American trade deficit and enormous German and Japanese trade surpluses.

Many economists say that reconciling the disparate approaches to fighting inflation, thereby reducing trade imbalances, would help lead to faster growth.

Efforts to correct all these problems — to pave the way for faster growth — have been made harder by another pronounced change in the world economy: the decline of the United States as the world's premier economic power. This has been caused by many factors: the economic rise of Japan and the Pacific Rim, America's huge borrowings, the one-strong dollar's damage to America's manufacturing base, and the increasing ease of transferring manufacturing technology from industrial countries to developing ones.

The end of American hegemony means Washington can no longer singlehandedly correct the world's economic ills. "After World War II, the U.S. had 50 percent of the world G.N.P. and could play locomotive for the world whenever growth slowed," said M.I.T.'s Dean Thurow. "Now the U.S. is down to 23 percent of world G.N.P. and can't play locomotive."

As a result, there is a greater need for the three leading industrial powers — United States, Japan and Germany — to work together to furnish the leadership that Washington once provided. But how likely is that? "Coordination," Dean Thurow said, "is very easy to say, very easy to praise, but very difficult to do."

The Economy

WEEK IN BUSINESS

What to do with \$3 billion was the question Pennzoil was pondering as a settlement plan was filed in its historic feud with Texaco. Texaco's plan to emerge from bankruptcy calls for a \$3 billion payment to settle Pennzoil's claim that Texaco's acquisition of Getty Oil wrongfully interfered with a Pennzoil takeover of the company. The plan will also require Texaco to pay creditors \$2.5 billion. For Texaco, the plan relieves one set of pressures but sets up others. For one thing, the financial burdens will probably require Texaco to sell some assets. The largest shareholder, Carl C. Icahn, has opposed the antitakeover provisions in Texaco's plan and this week he said he might file his own reorganization proposal. Mr. Icahn also disclosed that he had been contacted by parties interested in buying parts or all of Texaco. But for J. Hugh Liedtke, the chairman and chief executive of Pennzoil, the settlement caps a 25-year career with the company. Mr. Liedtke wasn't talking about what the company would do with the payment, saying "you want to get your hands on it first."

The Group of Seven pledged that its members would "cooperate closely" to prevent "excessive" changes in the dollar's value. The finance ministers of the United States, Japan, West Germany, Britain, France, Italy and Canada issued their pledge after telephone consultations. Most currency traders said they were not especially impressed with the statement but the dollar held steady.

A bidding war for A.H. Robbins seemed to be in the works as American Home Products joined the list of suitors that include Rorer and the French pharmaceutical company Sanofi. American Home said it would pay \$550 million and provide \$2.48 billion over seven years to help cover the thousands of injury claims filed by women who used Robbins's Dalkon Shield birth control device. American Home made a \$2.2 billion bid for Robbins last February but pulled out.

Goodrich is quitting the tire business. The company will sell its 50 percent interest in the Uniroyal Goodrich Tire Company for \$225 million to a group formed by Clayton & Dubilier Inc., a New York investment firm. Goodrich was once dominant in high-performance tires for sports cars but in the general tire market it was overshadowed by Goodyear. Goodrich will concentrate on chemicals.

Salomon's chairman will forgo his bonus this year, reflecting the austerity on Wall Street. This year, John H. Gutfreund, who earned \$3.2 million in 1986, will draw his \$300,000 base salary and \$800,000 in deferred compensation from previous years. He will also receive options to buy 300,000 Salomon shares.

Stocks maintained their upward momentum, with the Dow Jones industrial average posting its first close above 2,000 since Nov. 2. The Dow finished the holiday-shortened week at 197.67, up 24.37. The Group of Seven's statement about a stable dollar helped the bond market recover from some earlier weakness. The yield on the 30-year Treasury bond fell as low as 8.91 percent.

Worlds of Wonder filed for bankruptcy protection. The toy maker had been the phenomenon of the previous two Christmas seasons, with its Teddy Ruxpin talking bear and Lazer Tag light-ray guns helping the three-



J. Hugh Liedtke

year-old concern become one of the fastest-growing companies in business history. But the good times faded fast this year as the toy industry entered a slump and the company spent heavily on unsuccessful efforts to develop new hit products.

Paul A. Blitzer said he had lined up the money for his \$1 billion offer for Singer. Shearson-Lehman and a group of banks led by National Westminster will lend him \$895 million, the Florida investor said, and his group will put up \$100 million. He also disclosed that he is talking to T. Boone Pickens about providing \$150 million for the venture. Singer did not seem enthusiastic about the bid but said it would not place obstacles in the way.

I.B.M. is teaming up with a fledgling company to develop a new generation of supercomputers.

I.B.M.'s partner in the venture will be Supercomputer Systems Inc. of Eau Claire, Wis., a company founded three months ago by Steve S. Chen. Mr. Chen recently quit as chief engineer at Control Data when a supercomputer project there was canceled. The computer envisioned would have 64 processors working in tandem and marks a radical about-face for I.B.M., which had long resisted such parallel-processing technology. The technology is largely incompatible with existing computer systems.

No recession but slower growth is the Administration's forecast for the economy in 1988. In their twice-yearly report, the White House economists lowered their estimate of gross national product growth to 2.4 percent, down from the 3.5 percent outlook of August. They see little change in unemployment rates, and modest declines in inflation and interest rates.

Branniff dropped its bid for Pan Am after the pilots' union would not support the offer. The Branniff proposal had the support of Pan Am's board but was contingent on the unions agreeing to concessions that would total \$800 million over four years.

Miscellaneous. The Federal deficit for November was \$25.77 billion, putting the red ink for the first two months of the fiscal year 8 percent above the level of a year ago.

STEVE DODSON

ward in much of the world. In the 1970's, growth fell to slightly above 3 percent, and in the 80's it has slipped to about 2.3 percent. The outlook for the next few years is for a continued slide.

The slowdown is having serious effects on expectations and living standards in much of the world. For the average American worker, the slowdown in growth has meant that real income has not risen since 1973. In Europe, growth has been so slow that the jobless rate has soared to over 11 percent. For the debt-plagued nations of Africa and South America, this slowing trend has pushed per capita income 15 percent below the levels of 1980.

Yet, as 1988 dawns, many economists believe the world faces a rare opportunity in economic history. For the first time, they say, the leading industrial nations might have the power to reverse the slowdown, mainly because of an unusual confluence of circumstances. Inflation and budget deficits have been tamed in many nations. Corporate profits are healthy and interest rates are lower than they were a few months ago. Several important technological breakthroughs, such as fiber optics and superconductors, are waiting to be spread through the world; big technological advances often push growth by creating new opportunities and jobs.

"The conditions for going back to 3 to 4 percent growth in the world economy are actually better now than they have been at any time since the 1960's," said Stephen Marris, senior economist with the Institute for International Economics in Washington.

Yet if the leading industrial nations fail to work together to help reduce trade imbalances and push growth upward, some economists warn of serious trouble ahead. The world's fragile financial markets could take another deep plunge, they say, dragging down the world economy. If growth rates continue sliding, the trend could usher in an era of downward mobility, forcing people to work harder just to stay in the same place economically. If economic growth falls below the 1 percent population growth in much of the industrial world, people will have to struggle to keep their living standards from falling.

Such an era of frustrated expectations could heighten tensions in the industrial world and political instability in the third world. In developing countries, it could exacerbate an already grave situation: As per capita income declines, poverty increases from one year to the next.

"This slowdown makes it particularly difficult for the really poor countries to grow," said Angus Maddison, author of several books on world growth rates and professor of economics at the University of Groningen in the Netherlands. "Their growth is intertwined with the industrial world. They should be catching up to us and growing faster, but they are having problems because our growth has slowed."

Technically, growth is defined as the increased output in a nation's goods and services, covering everything from housing to hospital care. Many factors — from technology to

economic policies — can help growth, 25-year period after World War II was extraordinary because growth levels far exceeded historic norms, they say there is no reason why growth rates in the 1990's cannot move closer to levels of the 1960's.

Getting there from here will not be easy, however. In the last five years, a stubborn third world debt crisis has slowed growth in both developing and industrial nations. The United States, once an all-powerful locomotive that pulled weaker economies along with it, has been plagued by huge trade and budget deficits that it seems unwilling to reduce as fast as the rest of the world would like. And West Germany, Europe's most powerful economy, is so nervous about increasing inflation that it does not want to stimulate its economy nearly as much as other nations want.

In recent years, many governments tried to fight inflation at the expense of growth. Now, economists say, they must shift gears and focus more on promoting growth — using policy vehicles that could range from more government spending to investment incentives while keeping inflation under control.

The huge trade imbalances, which have roiled stock and foreign exchange markets since mid-October, must be cut before the world can move into a smoother — and faster — growth period.

Many economists say that unless stronger steps are taken to slash America's \$155-billion trade deficit

growth could become a hostage to domestic political constraints. Bonn and, to a lesser degree, Tokyo, fret that greater stimulus will mean increased inflation and angry voters. In an election year, Washington worries about how voters will react to higher taxes or more budget cuts.

"Coordination means each would have to do what's good for the world economy, but they don't want to do it," said Lester Thurow, an economist and dean of the Sloan School of Management at the Massachusetts Institute of Technology.

The oil shock of 1973 is often called the turning point when world economic growth started to slow. But other forces were already at work.

Consumer demand was explosive after World War II. In North America, Europe and Japan, families rushed to buy homes, cars and televisions, helping to create a golden era of sustained growth. Europe's economy forged ahead as it rebuilt. And Europe and Japan bounded ahead as they adopted many of the advanced technologies that the United States had monopolized. This meant huge investments as well as great strides in productivity and growth.

Simultaneously, major tariff reductions, brought about by successive rounds of multilateral negotiations, produced a trade boom that was a catalyst for growth. By the early 1970's, however, the factors that fostered strong growth were largely played out.

Then came 1973. OPEC nations quadrupled the price of oil, and the oil

and Japan's and West Germany's huge trade surpluses, markets will remain unstable and interest rates will rise. That could lead to a sharp economic downturn, making it hard for growth in the 1990's to outpace growth in the 1980's.

"What is holding us back from achieving faster growth," Mr. Marris said, "is we have to correct this incredible disequilibrium, and it will be very difficult to do that while avoiding a recession."

Mr. Marris was one of 33 prominent economists from 13 countries who signed a statement earlier this month calling on Washington, Bonn and Tokyo to take more decisive actions to reduce trade imbalances. The economists said Washington should try to cut domestic demand and imports further, and must go beyond its recent deficit reductions. It must, they say, cut its \$150 billion deficit by an additional \$40 billion a year for several years.

The economists also urged West Germany to raise imports and accelerate and expand tax cuts scheduled for 1990. And they urged Japan to push domestic demand growth above 4 percent a year.

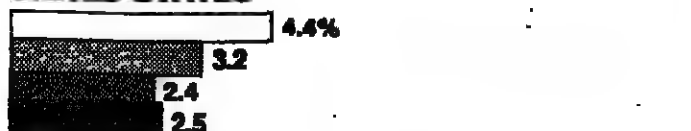
Although some economists agree on what these three nations must do, they say improved world economic

shock cut into purchasing power, hit corporate profits and created a wave of uncertainty that slowed investment. It also produced a recession in the United States and the first post-war recession in Europe.

Slowing Down Around the Globe

Average annual rates of change for gross domestic products, in percent.

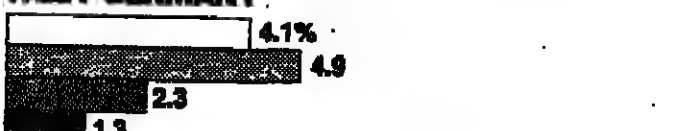
UNITED STATES



JAPAN



WEST GERMANY



FRANCE



BRITAIN



Source: O.E.C.D.

The New York Times, Dec. 27, 1987

The New York Stock Exchange

MOST ACTIVE STOCKS				
WEEK ENDED DECEMBER 24, 1987				
(Consolidated)				
Company	Sales	Last	Net Chg	
Scal Ed	21,692,500	31 1/4	+	1/4
Cmw E	11,231,000	28 1/4	+	1/4
AT&T	10,706,200	27 1/4	-	1/4
Phil Pet	8,982,100	13 1/4	+	2 1/4
Stor Tch	8,010,900	2 1/4	+	1/4
Texaco	7,726,200	38 1/4	+	1/4
Mtr Han	7,620,800	24 1/4	+	1/4
Gen El	7,517,300	46	+	1/4
No St Pw	7,284,700	29 1/4	-	1/4
Amrc	5,805,300	85 1/4	-	2 1/4
Tennco	5,633,300	41 1/4	+	1/4
Car Pw	5,632,800	33 1/4	+	1/4
Pac Tel	5,241,300	26 1/4	-	1/4
IBM	5,044,000	119 1/4	+	2 1/4
A Exp	4,809,800	23 1/4	-	1/4

Standard & Poor's				
400 Indust	293.5	285.3	292.3	+4.74
20 Transp	198.2	192.9	196.6	+2.20
40 Util	104.6	102.3	102.5	-2.01
40 Financial	21.9	21.4	21.7	+0.05
500 Stocks	253.3	247.0	252.0	+2.86

Dow Jones				
30 Indust	2019.5	1949.2	1999.6	+24.37
20 Transp	783.1	753.4	770.2	+3.00
15 Util	178.5	174.8	175.7	-2.26
65 Comb	742.3	717.4	733.2	+4.67

The American Stock Exchange				
MOST ACTIVE STOCKS				
WEEK ENDED DEC. 24, 1987				
(Consolidated)				
Company	Sales	Last	Net Chg	
WangB	1,593,900	11 1/4	...	
Gall	1,493,800	15	-	10
WhrEnt	1,254,			

DECEMBER 3

Vyacheslav Royak, 41, in refusal for 11 years in Bendery, was recently informed by the director of the institute where he was employed as a mathematician until 1972 that his secrecy restriction will not be lifted until 1997, and it will be futile for him to seek to emigrate before that time. This would comprise a 25-year period since he left his classified position at the Research Institute of Technology in the Leningrad region. At the time of his resignation, he signed a declaration stating that he would not leave the Soviet Union for five years, but 15 years have already elapsed.

The Royaks first applied for exit visas in 1976. As soon as it became known that he requested an exit visa, Vyacheslav was isolated from his colleagues, subjected to systematic harassment and even physical threats.

His colleagues tried to tear the Star of David from his neck, denouncing it as a "Fascist symbol." His desk was searched and his Hebrew books confiscated. Suffering from acute diabetes, his health has deteriorated. As a result of his illness, he has completely lost the sight of his right eye, and his circulation has been adversely affected, limiting his mobility. As a result of his physical disabilities, he is no longer able to work, and his status has been officially designated as a second-degree invalid.

The Royaks have three daughters: Yana, 13, Lea, 7 and Ilanit, 2. Riana Royak, 40, a French teacher, participated in hunger strikes with other refuseniks during the summit. With the departure of Ida Nudel, the Royaks are the only refuseniks remaining in Bendery, and are very isolated from other refuseniks and Jewish cultural life.

Letters to the Royaks can be addressed: USSR; MSSR; Bendery 278100; Derzhinskogo 57.

DECEMBER 4

Exit visas were promised to the following long-term refuseniks and their families: Alexander Kholiniansky, a former Prisoner of Zion; Pavel Abramovich; Alexander Ioffe; Yulia Rantser Bialy; Mark Lovsky; Solomon Albet; Yakov Raitenko; Felix Koshubievsky, a former Prisoner of Zion; Naum Kogan.

DECEMBER 6

On the eve of the summit, 100 Soviet Jews announced their intention of demonstrating in Smolensky Square today in a pre-summit protest in a garden opposite the Foreign Ministry in Moscow. At the same time, 120 refuseniks in Moscow, Leningrad, Vilna, Riga, Tallin and Novosibirsk began simultaneous hunger strikes in protest against restrictive Soviet emigration policies.

Thirty Soviet Jews were prevented from reaching their destination. They were detained as they alighted from their trains, near underground stations, or were blocked from leaving their homes. The refuseniks, including Yuli Kosharovskiy, Anatoly Genis and Yehudit Lurie were taken to police stations and detained for three hours. Natasha Khassina was stopped in a taxi as she approached Smolensky Square and taken to a militia station for three hours.

Some 75 refuseniks who succeeded in reaching Smolensky Square found themselves surrounded by a counter-demonstration of several thousand Soviet citizens and security forces who were deliberately bussed in to demonstrate for "peace and friendship," but whose real purpose was to quash the Jewish demonstrations.

The peace demonstrators used their professional-looking placards with anti-SDI slogans as weapons against the Jews. Fifteen buses filled

Soviet Jewish activists speak out on the Reagan Gorbachev summit

'Yes to peace and disarmament, no rockets, bombs or refuseniks'

Enid Wurtman continues her fortnightly report on the plight of Soviet refuseniks with the aid of details supplied by the Israel Council for Soviet Jewry Education and Information Centre, The Long Island Committee for Soviet Jewry, Jews in the USSR (London), Student Struggle for Soviet Jewry, the 35's group and other sources.



"THEY DON'T SPLIT UP FAMILIES" - Slava Uspensky, 18, (standing) was refused an exit visa by the Soviet authorities because, he was told, "It is not our policy to split up families." Slava's parents, Inna and Igor, (seated) have been in refusal for eight years. However, Inna's brother, Alexander Ioffe was recently granted an exit visa and in January, when the Ioffes leave for Israel, the Uspenskys will become another divided family.

spirit, and to cut us off from the Torah, our culture, and our language. Although damaging, these attempts did not succeed.

Our contacts with you are alive and well, despite all the obstacles and all the pressures. This contact, and your support, are very vital for us. I dare not say what would happen to Soviet Jewry were it not for the State of Israel, for the very fact of its existence, and for its support. Today, in the atmosphere of glasnost and perestroika, we see not only a great gap between the promises and our reality, but also certain signs of a return to the situation which existed previously.

For several months, we have wanted to hold a constructive dialogue with organs of the government, including the Supreme Soviet and the Central Committee of the Communist Party of the Soviet Union, but in vain. They did not want to talk to us, despite the new atmosphere, and despite the timing which we thought suitable, the eve of the summit.

This means that here they are not yet ready for a constructive solution to the problem of aliya. It is precisely this which concerns us, rather than the possibility of exchanging one diaspora for another at the expense of aliya and the State of Israel, and at the expense of our people. Seeing that the central bureaucra-

cy here is still not ready for a dialogue, we declared a series of demonstrations and hunger strikes for the duration of the summit meeting.

It must be clear that we are not opposed to the summit: quite the contrary, we are in favour of a summit which would bring the world to a situation where international law, human rights and the rights of Jews to immigrate freely to Israel and live as Jews are respected. In this struggle we are today united - the entire Jewish people. And we are supported by the entire enlightened world. I have no doubt that if we continue in this way, we shall be victorious. Next year in Jerusalem.

DECEMBER 8

Fourteen refuseniks reached Smolensky Square, opposite the Foreign Ministry in Moscow today and were surrounded by security forces and immediately taken by bus to militia stations. Other refuseniks, en route to the demonstration were apprehended and detained at militia stations. Anatoly Genis and Alexander Feldman were arrested and arraigned in court on charges of "disturbing public order." They were found not guilty and released.

Long-term refusenik Natasha Rosenstein, 47, demonstrated outside Tass news agency in Moscow today for two-and-a-half hours, bearing a sign that read: "I Condemn the Li-

ars, Anti-Semites, and Slave Traders." A refusenik for 14 years, Natasha resisted arrest and was forcibly taken to a militia station. Her internal passport was confiscated, and she was subsequently released.

Today, Roald (Alik) Zelichenok, 51, a former Prisoner of Zion, and his wife Galina were warned not to travel to Moscow by the Leningrad procurator's office. They had intended to go to Moscow to meet two American physicians who promised to examine Galina, whose heart condition has deteriorated recently. In Alik's opinion, the warning was precipitated by his plans to deliver a lecture on "Anti-Semitic Propaganda in the Soviet Union" at a seminar on human rights. Recently, despite official warnings, he lectured to Leningrad Jews about his labour camp experience.

Zelichenok was shocked by a conference organized a week ago by Leningrad University in cooperation with Pushkin House. The official theme of the conference was literature in Siberia, but, in fact, anti-Semitic Pamyat activists used the conference as a forum. In a letter, Zelichenok notes, "There is at least one particular field where one does not feel the effect of perestroika - the Jewish problem. Even the most timid and loyal attempts to legalize even the minimal forms of Jewish cultural life have met with a blank 'no'."

"The attempts made in Leningrad to organize a Jewish folk society was a typical example.... The unsuccessful attempt staged in Moscow to have a protest meeting against anti-Semitism was another. Soviet literature has become permeated with anti-Semitism."

At the beginning of December, the Zelichenoks were once again denied exit visas on the pretext of "secrecy." Letters to the Zelichenoks can be addressed: USSR; Leningrad 197022; Karpovka 19, Apt. 56.

DECEMBER 9

Sixty refuseniks went to the Central Committee of the CPSU and delivered four statements regarding the arbitrariness of Jewish emigration and the disruption of the refuseniks' demonstrations. A delegation of four refuseniks, Natasha Khassina, Yuli Kosharovskiy, Sergei Mkrchtyryan and Alexander Feldman to meet with senior officials, but were turned down. One document was addressed to the Department of Propaganda of the Communist Party of the Soviet Union and signed by 35 refuseniks, including Tatyana Lichinskaya, Eduard Nadgorny, Inna Uspenskaya, Anatoly Genis, Yuli Kosharovskiy, and Igor Uspensky. It read: "We, Jewish refuseniks, protest against the campaign of deceptions and lies waged against us in the Soviet media. The Soviet press humiliates us, calling us 'hooligans,' 'demagogues,' and accuses us of violating public order. The media presents us as people who are against the summit meeting in Washington, and suggests that we want to stop the progress of history which this summit embodies. This is a lie - we are for peace and disarmament, without bombs, rockets and refuseniks."

DECEMBER 10

Today, Human Rights Day, 50 refuseniks convened a press conference in Moscow at the home of Inna

and Igor Gurevich to evaluate the conclusion of the summit meeting in Washington: summarize recent events, including the demonstrations and hunger strikes, and the repressive actions taken by Soviet authorities against them.

Soviet Jews had hoped to draw public attention to the tragedy of the refuseniks. They point out that by making spectacular gestures, by granting exit visas to some refusenik families prior to the summit, the Soviets achieved positive publicity while hiding the fact that there are no legitimate and normal procedures for emigration. In fact, the refuseniks feel that they are being used for hostage trade and international harter.

The refuseniks had hoped that during the summit the authorities would exercise greater flexibility and sensitivity to their appeals. They had hoped that within the framework of glasnost that they would be permitted to demonstrate openly. Instead their demonstrations were dispersed and their appeals went unheeded. They conclude that the authorities have not found a constructive solution for their problems. They are left with the feeling that the authorities plan to continue with the practice of long-term refuseniks as a method of controlling emigration.

DECEMBER 13

Alexander Yampolsky, 43, an electrical engineer, first applied for an exit visa 14 years ago with his brother, (Arkady died in 1984.) He has been denied an exit visa on the pretext of "secrecy." His most recent refusal was issued in November of this year.

In a recent letter, Alexander wrote: "Fate has not been too kind to me during these 15 years. I can assure you that I will never stop fighting until long-awaited success is achieved."

Letters to Alexander Yampolsky can be addressed: USSR; Leningrad 192123; Petra Lavrova 47, Apt. 12.

DECEMBER 14

Inna and Igor Uspensky, who first applied for an exit visa eight years ago, received a new refusal today allegedly based on the "secrecy" clause regarding Igor's mother, Irina Uspensky, 75, a botanist, retired in 1976 from an institute on plant physiology in the Ministry of Agriculture. Her research on diseases of plants can hardly be constructed as a "state secret." Both Inna and Igor Uspensky worked at the Institute of Medical Parasitology and Tropical Medicine in the Ministry of Health as biologists specializing in research on the role of ticks as transmitters of human diseases. Their research and publications were not of a secret nature.

The Uspenskys' son Slava, 18, a student, is an active member of the Second Generation group of refuseniks. When Slava tried to apply independently for an exit visa, Ovir refused to accept his documents, stating that "it is not our policy to split up families." Inna's brother, Alexander Ioffe, was recently issued an exit visa and in January when the Ioffes leave for Israel, the Uspenskys will become another divided family. (Previously the Uspenskys were denied exit visas on the pretext of Inna's brother, Alexander Ioffe's alleged "secrecy.") Inna Uspenskaya is a founding member of Jewar. In a recent conversation with a representative of Women for Women (an Israeli Support group for Jewar), she said that every year they spend in refusal "does not make Israel seem further away, but brings us nearer to Israel."

Letters to the Uspenskys can be addressed: USSR; Moscow 117571; Prospekt Vernadskogo 125, Apt. 236.

Complex Berio



ISRAELI PHILHARMONIC ORCHESTRA, Luciano Berio conducting with Aldo Benati, violin, and the Sadafim Chamber Orchestra directed by Klaus Martin Ziegler (Mann Auditorium, Tel Aviv, December 27). Berio's "Voci" ("Voices") (Foliosopha II) (1984) for viola and two instrumental groups, "Coro" ("Chorus"), 1975-6.

TO LISTEN TO a whole concert of works by Luciano Berio, one of the giants of contemporary music, with the composer himself on the podium, is undoubtedly a great occasion both for the orchestra and the audience. Nevertheless, not all of Berio's works are great and "Voci" seems to belong to the less attractive ones.

With all my admiration for Berio's sophisticated, highly personal approach to contemporary music, "Voci" seems to have failed to establish a clearly definable logic.

The viola solo is based on Sicilian folk songs, songs of love and labour, street cries and imitation of folk instruments. Modal melodies, oriental melodic patterns, together with plucked sounds of the mandolin or guitar are clearly discernible. The two groups of orchestral instruments, though undoubtedly procuring some highly original sound combinations, sonorities, timbres, seem however to live an entirely separate life of their own, detached from the solo part. I simply could not reconcile the two parts.

Berio's love of complexity, his constant effort to sound intricate and intellectually alluring seem to have robbed the work of its natural essence.

"Coro" belongs to another, altogether different, category. In "Coro," Berio proclaims, declares, makes a huge unified statement. "Coro" too is incredibly complex. There are no less than 32 episodes, each one different in scoring, texture, text, harmony. The text comprises songs from 11 different countries or cultures besides excerpts from Pablo Neruda's monumental "Residencia en la Tierra" ("Living on Earth").

"Coro" includes solo songs (Lieder), polyphony, heterophony and huge clusters. "Coro" sounds tonal and atonal, melodic and non-melodic, mobile and static, fragmentary and continuous, caressing and explosive. Expressiveness ranges from the most delicate to the highly dramatic, the tranquil and serene to earthshaking protests and outcries ("Come and see the blood"), appearing regularly as huge sound blocks between the various episodes. All this and many other details combine into a huge structure which slowly penetrates your mind and your soul. In "Coro" Berio succeeded in combining his intellect and his emotional involvement. "Coro" indeed stuns.

Generally "Coro" was enthusiastically received. But some narrow-minded people in the audience left during the performance, creating noise and distracting people from concentrating on the music. Though this tactless and inconsiderate behaviour must be strongly condemned, I don't blame them. The IPO has educated its audiences for at least two generations mainly on Brahms, Beethoven and Mozart.

BENJAMIN BAR-AM

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<input type="checkbox"/> The Penguin Pocket English Dictionary	<input type="checkbox"/> One Fat Englishman
<input type="checkbox"/> Bernice Bobs Her Hair	<input type="checkbox"/> That Uncertain Feeling
<input type="checkbox"/> Narciss and Goldmund	<input type="checkbox"/> Encounters with Animals
<input type="checkbox"/> The Dead Sea Scrolls in English	<input type="checkbox"/> A Room with a View
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<input type="checkbox"/> The White Hotel	<input type="checkbox"/> Travels with Charley
<input type="checkbox"/> Metamorphosis	<input type="checkbox"/> The Grapes of Wrath
<input type="checkbox"/> The Yoghurt Book	<input type="checkbox"/> Rumpole for the Defence
<input type="checkbox"/> One Flew Over the Cuckoo's Nest	<input type="checkbox"/> The Trials of Rumpole
<input type="checkbox"/> The Wisdom of Father Brown	<input type="checkbox"/> Rumpole of the Bailey
<input type="checkbox"/> Get Ready for Battle	<input type="checkbox"/> My Family and Other Animals
<input type="checkbox"/> Winter's Tales	<input type="checkbox"/> The Quiet American
<input type="checkbox"/> Esmond in India	<input type="checkbox"/> The Honorary Consul
<input type="checkbox"/> Amadeus	<input type="checkbox"/> Lady Chatterley's Lover
<input type="checkbox"/> On the Road	<input type="checkbox"/> The Penguin Pocket English Thesaurus
<input type="checkbox"/> Shoshana	<input type="checkbox"/> The Mission
	<input type="checkbox"/> The Adventures of Sherlock Holmes
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Privatization of state-owned corporations

Public offerings unlikely till mid-1988

By PINHAS LANDAU
Post Finance Reporter

PaineWebber is a very different story from Shearson Lehman. But first, some similarities. Both are top-notch names on Wall Street. Both have strong retail arms, but are also active in investment banking at home and abroad. Both now have Japanese insurance companies as junior equity partners, after Yasuda Life recently bought into PaineWebber.

For our purposes, though, the thing to note is not how many brokers and offices each firm has, but that in the Israeli context, Shearson is the veteran while PaineWebber is a neophyte.

In practical terms, that means that Shearson is aggressive in its approach, confident that it will get the lion's share of the business generated by the privatization programme. PaineWebber is, perforce, keeping a lower profile.

Or, from the point of view of the Israeli cynic, one could define the difference thus: Despite everything, Shearson is still here, while PaineWebber insists on coming.

So far, we have dwelt mainly on the problems of privatization at the Israeli end, and why anyone should want to tackle them. But let's look for a moment at the New York end, since that is an important element in the overall equation.

Since October 19, it has become almost impossible to float new issues in either shares or bond markets. This has been true for all except the very best domestic issues, so the difficulties of unknown foreign issuers may be imagined. But Robert Wygod, a managing director of

PaineWebber's corporate finance division, and the person heading the firm's involvement in the Israeli government's privatization programme, doesn't regard this as the crucial issue.

"Of course, general market conditions are important," Wygod told *The Jerusalem Post* in an interview in PaineWebber's midtown headquarters that also marked the firm's own initial public airing to an Israeli audience. "If we were ready to do an issue now, they would be immediately relevant. But the first public offerings of the privatization programme are not likely until the second half of 1988, and by then the markets should have settled down. The key consideration is the state of the given company, and getting it ready for market."

Apart from the specific company, Wygod is concerned with the general economy. Whereas hitherto Israeli offerings on Wall Street have been mostly high-tech companies, each with its own "story," the move to the big state-owned corporations means that "now we're selling Israel, as well as an individual company," and both have to look attractive. In his opinion, for the economy to be in good condition in the run-up to privatization is vital in creating a suitable background.

PaineWebber, in making its decision to look for Israeli business, looked at the wider economic background, and the wider geo-political background as well. Its conclusion was that the Arab-Israeli dispute is receding as a factor that weighs upon business ties and investment sentiment, and that sensitivity to

Arab pressures is much less than it used to be. Stability, political as well as economic, is good for business.

Given this assessment, Wygod's department was given the green light to participate in the privatization programme.

Ze'ev Refuah, head of Israel's Government Corporations Authority had come knocking at PaineWebber's door during his search for advisers. But Paine said that they were more interested in stage two, bringing the companies to market, than in the general advisory and planning role involved in stage one.

This was the basis on which it eventually came in, after further talks with Refuah, while Wygod retained Tel Aviv lawyer Amnon Shibolet, whose firm also has a New York office, to prepare background information on the companies the government is interested in selling. Having come to the party last, PaineWebber is being realistic in its expectations of what it can hope to get. It is certainly not interested in crumbs; it wants the main course—but it will clearly not get the biggest helping.

Wygod quotes Refuah as saying that more than one firm will be involved in the preparation and management of the main companies, and in this framework, Wygod is confident that PaineWebber has much to offer.

In particular, the company has the retail sales network to sell an issue, and the research department necessary to maintain its involvement with the corporations whose securities it sells, in the Wall Street version of after-sales service.

"Research analysts are very im-

portant in terms of ongoing support and in demonstrating the commitment of the underwriter to the company being floated. There are no one-shot flotations, especially in the large corporations, where the privatization itself is not a one-shot affair," Wygod noted.

Among the business sectors where PaineWebber's research is strong are public utilities and airlines. This makes companies like Bezek, Israel Electric and El Al the obvious targets, but Wygod stressed that "we want to talk to all of the five big companies, including Israel Chemicals and Israel Aircraft Industries. We won't pass up any possible business."

Nor will PaineWebber necessarily limit its Israeli business to the privatization programme. Once it gets involved in the local scene, it will be looking to offer its investment banking and other services wherever it sees prospects.

Wygod plans to come to Israel early in 1988 to meet the companies and get a first-hand view of the situation. He has been here twice before—once on a UJA mission, and once on company business, probably connected to the fact that PaineWebber is GTE's adviser, and that company used to have a large stake in Tadiran.

This time, though, the purpose will be neither philanthropic involvement nor business disinvestment, but rather the pursuit of any business involvement that makes sense to PaineWebber and its customers. Or, as Wygod put it: "The approach is on the basis of the numbers."

Fourth in a series.

WALL STREET WEEK

Recession fears are fading

As the stock market has rallied in the waning weeks of 1987, hopes have mounted on Wall Street that the nation can avoid a recession in the new year, despite the fact that just about every projection for the economy in 1988 has been lowered since the October crash.

The Reagan administration, for example, has reduced its forecast for growth in the gross national product to 2.4 per cent, after adjustment for inflation, from the 3.5 per cent figure it issued last summer.

"Consumers have been frightened," acknowledges David Blitzer, chief economist at Standard and Poor's Corp. "During the year we'll see unusual divergences among segments of the economy." However, he says, "The overall economy will prosper, fueled by strengthening imports and increased capital spending."

S&P projects an increase of 19 per cent next year in profits for the companies that make up its 500-stock composite index, down only slightly from the 22 per cent rise estimated for this year. "A soft landing is far more probable than a recession," maintains Lawrence Kudlow, chief economist at Bear, Stearns and Co.

"Inflation is moderate, tax rates are low, interest rates are declining, budget spending is restrained, speculative fevers have been removed and there is no sustained credit crunch," Kudlow says.

One important contributor to the increase in expectations of continuing growth has been the recent decline in oil prices. Although that hardly has been good news for already beleaguered areas of the country that depend

heavily on the energy industries, it also may act as a sort of tax cut for consumers and many businesses.

"Economic data released since the crash tends to suggest that there was a mini-boom in progress when the stock market took its dive," says William LeFevre, an analyst at Advest Inc. "Furthermore, the weakening dollar has made many of America's manufacturing companies extremely competitive again with most of our trading partners. This should make for higher earnings in 1988."

In the past week before the Christmas holiday on Friday, the Dow Jones Average of 30 industrial stocks managed to post its third consecutive weekly gain, rising 24.37 to 1999.67.

The New York Stock Exchange composite index climbed 1.7 to 140.85; the American Stock Exchange market value index rose 4.8 to 260.9, and the NASDAQ composite index for the over-the-counter market increased 6.15 to 333.06.

Volume on the Big Board averaged 166.59 million shares a day, down from 212.9 million the week before. One thing that would stand to nip many budding hopes for the economy would be a further bout of declines in the stock market.

Though the value of stocks around the world fell about \$1.4 trillion last fall, economists at New York's Morgan Guaranty Trust calculate, it remained about \$600 billion above where it stood a year earlier. (Associated Press)

CURRENCY MARKETS

Thin market holds dangers

The dollar closed at record lows on Friday in thin Tokyo trading, as the U.S. and European markets were closed for Christmas.

A mild dollar-selling in Tokyo pushed the currency as low as 1.608 Deutschmarks and 125.1 yen. The Bank of Japan bought small amounts of dollars, but this could not reverse the trend.

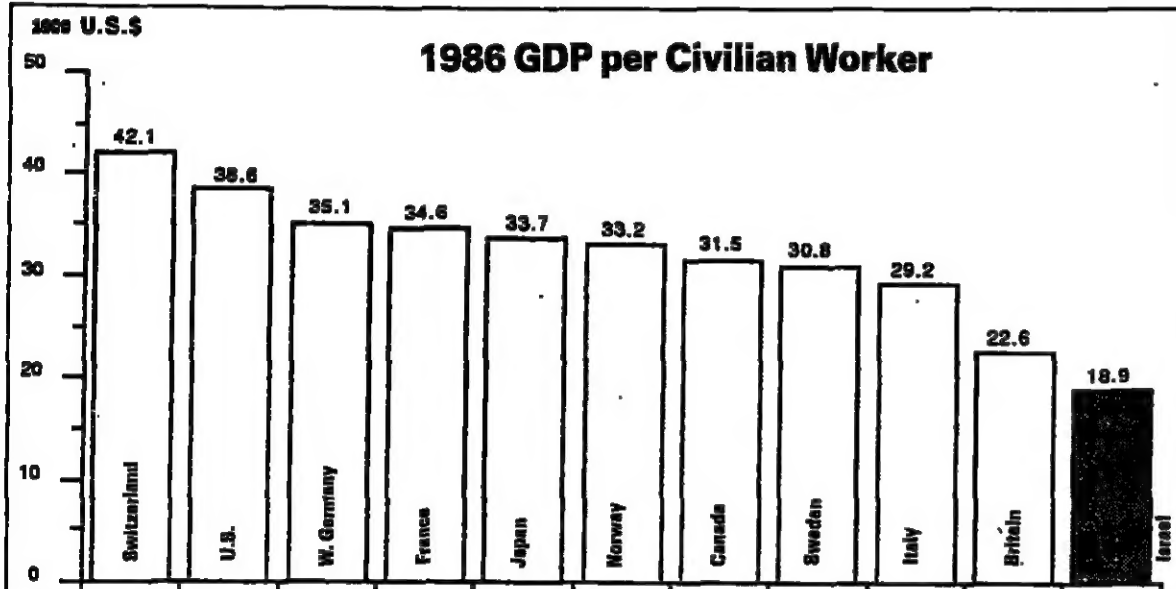
Currency trading was very thin throughout the week, as most bank dealers had already closed their books for the year. There was no major news to move the market in either direction, and the dollar was drifting down on general market bearishness towards the currency.

Last week's currency movements clearly indicate that

thin trading conditions in a holiday period do not guarantee price stability. It should be remembered that at the end of last year, under similar circumstances, the dollar fell sharply and closed at its lowest levels for the year.

A similar scenario may well develop next week, as the market is dominated by the belief that the U.S. would like to see a still lower dollar. However, short-term dollar-sellers should note that in the vacuum a sharp corrective move may develop as well if market operators sense that their huge paper profit may be in a danger.

The column appears courtesy of Boaz Barak Advisory Services.



Israel lags in productivity race

By JEFF BLACK
For The Jerusalem Post

TEL AVIV—From the 1960s until 1975, Israel's then-average annual productivity rate of 5.4 per cent was greater than Japan's. A decade or so later, Israel is at the bottom of a productivity chart of 11 developed industrial countries drawn up by the Israel Institute of Productivity for 1986. Although the country's productivity rate for 1987 is expected to rise by 2 per cent from half a per cent last year, this increase is not enough to erase the cumulative gap between Israel and other developed countries which has shot up in the last decade.

The institute yesterday released its report on "Productivity in Israel: An International Perspective" for the year 1986. The reason for the year-long delay in publishing the report, according to one of its authors Uri Pat, stems from the difficulties in receiving data on foreign countries, and does not signify a certain lack of productivity on behalf of the workers at the institute.

On the international scale, Israel comes last in terms of both gross

domestic product per civilian employed and gross domestic product per capita. In the first table Israel produces \$18,900 compared with Switzerland at the top of the list with \$42,100. In the second chart Israel's \$6,400 pales in comparison with the U.S.'s \$20,500.

Yosef Duriel, the director-general of the institute, told reporters here yesterday that Israel's productivity decline, in comparison to other countries over the past decade, has cost the economy around \$35 billion. At least \$10b. of this sum has come at the cost of economic growth, "a total five times the amount which caused the cancellation of the Lavi," he noted.

Duriel put some of the blame for this dramatic decline on the implementation of the 1975 Ben-Shahar Committee recommendations for tax reform. The committee advised scrapping the tax breaks granted for productivity-related bonuses.

The only means to improve workers' productivity which has

been proved in the past is to grant tax exemptions on productivity-related bonuses," Duriel maintained. He said that the institute is currently lobbying Knesset members to support support legislation reintroducing this exemption.

Another *bête noire* of Duriel's is the wage system where "because everyone's wage is linked to somebody else's, employees can't reward individual workers for increased productivity."

Duriel pointed out that wages rose by 11 per cent between 1981 and 1986 while productivity over this period increased by only half a per cent. This combination has led to Israeli exports lack of competitiveness in the international market.

He also claimed that Israeli exporters still do not know how to market their goods abroad, a claim that is also echoed by Israeli commercial attaches around the world. To put this claim into perspective, Duriel said that Israel's per capita export is half that of Ireland's.

Tourism to be world's biggest industry in 2000

PARIS (AFP)—Between 400 and 600 million tourists will take a foreign holiday in 1990 and tourism and connected activities will be the world's biggest industry by the year 2000, according to an International Labour Organization report.

The report estimated that the number of tourists going abroad had increased from 25.3 million in 1950 and 333 million in 1985. Although growth had slowed, it said, tourism and related industries would still have a greater turnover than all other economic sectors by the year 2000.



CROSSWORD

ACROSS

- 1 Post Office site the old haunt? (8)
- 9 Chap's up, but has a sore throat we hear (8)
- 10 Light to diminish (5)
- 12 Lamb—a reliable piece (4)
- 13 Rustless state of a crowned head according to Shakespeare (10)
- 15 Cuttings from paper thrown about at union meetings (8)
- 16 British leader survives curses (8)
- 18 Not one to pester possible customers but still scoring (13)
- 20 Men of letters retail it a new way (8)
- 23 Split tongue? (5-5)
- 24 Style of tailless young bird (4)
- 26 Girl from USA takes morning off (5)
- 27 Acted outside yonder—and trembled (8)
- 28 Can-opener's error—skip beans as an outcome (6-8)
- 2 Kind of harp played by 16? (7)
- 3 Stick up mail (4)
- 4 Perhaps mention a name (8)
- 5 Conducive to growth around Ealing (8)
- 6 He hopes to make catches in the deep (10)
- 7 Pincers for kids (7)
- 8 Work of seamstress angry over pain in the side (5-6)
- 11 Loose-leaf container for homebrewers? (3-8)
- 14 Du vin j'ai bu—also bad! (10)
- 17 Square column—one in gesso? (8)
- 19 Tenacious sort to do wrong in row (7)
- 21 A blue jumper possibly (7)
- 22 Arid study of English writer (8)
- 25 Start to lay waste old Chester (4)

Friday's solutions

HAIRDORESSERS
INGRESS SPONSOR
COLDISH LARGES
UESA GCO
LISLE REFLECTOR
A G I
RETROCEDE GARRI
TIC L H E M
OUTRUNS DWINDE
U A L A F C L N
RENDING ADAMANT
I S A R C R O
CANTANKEROUS

QUICK SOLUTION

ACROSS: 7 Tacked, 8 Titian, 10 Matador, 11 Erase, 12 Need, 13 Small, 17 Dirty, 18 Silo, 22 Habit, 23 Skipper, 24 Plucky, 25 Retain. DOWN: 1 Stamina, 2 Scatter, 3 Ready, 4 Miserly, 5 Titan, 6 Enter, 9 Dramatist, 14 Mistake, 15 Display, 16 Torrent, 19 Shape, 20 About, 21 Miner.

QUICK CROSSWORD

- | | |
|-----------------------------|-------------------------|
| ACROSS | DOWN |
| 1 Liable (5) | 2 Perilous (5) |
| 3 Snow leopard (5) | 3 Japanese ornament (7) |
| 4 Induce (7) | 5 Open sore (5) |
| 10 Induce (5) | 6 Breed of spaniel (7) |
| 11 Aquatic rodent (5) | 7 Reliable person (5) |
| 12 Tumbler (7) | 8 Portable chair (5) |
| 15 Orson Well's citizen (4) | 9 Wax match (5) |
| 17 Seraglio (5) | 14 U.S. coin (4) |
| 19 Mother-of-pearl (5) | 16 Pulpit (4) |
| 22 Target (4) | 18 Calendar (7) |
| 23 Arthurian court (7) | 19 Non-believer (7) |
| 27 Snag (5) | 21 Descendant (5) |
| 29 Postmaster (5) | 23 Spunk (5) |
| 30 Letter (7) | 24 Comfort (5) |
| 31 Small shovel (5) | 25 Slow (mus.) (5) |
| 32 Stem (5) | 26 Sum (5) |

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Ben Gurion *781111	Petah Tzvi *923111
Elar 72333	Ramat *451333
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Haifa *512233	Safed 930333
Hatzaor 936333	Tel Aviv *5480111
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YEYIM BROFMAN piano

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Saint-Saens—Piano Concerto No. 2
Albeniz—Suite Espagnole
De Falla—Excerpts from "El Amor Brujo"
De Falla—Dance from "La Vida Breve"
Chopin—Prelude
Granados—Intermezzo from "Goyescas"
Gimenez—Intermezzo from "La Boda de Luis Alonso"

Saturday, 9.1.88

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ALDO BENNICI viola
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Berio—"Coro"

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Deportation and after

THE WAVE OF DISORDERS in the occupied territories having finally receded, at least for now, it is time to mete out due punishment to the malefactors that will presumably also serve as a deterrent against repetition of such offences.

About one thousand Palestinians in Gaza, Judea and Samaria who are suspected of having either instigated or participated in the disturbances, have already been rounded up. Most of them are expected to be sentenced in quick trials before Israeli military courts. The "hard core" is due for banishment from the country by administrative order.

How many will in the end be deported — most probably to southern Lebanon, since neither Jordan nor Egypt will take them — remains uncertain: the inner cabinet is yet to make up its mind in the matter. Rumours of hundreds being slated for that ultimate penalty have been dismissed by defence officials. True, one anonymous official is reported to have conceded, the defence establishment might have wished to see hundreds go. But that is impractical. Every deportation order may be challenged before a military advisory committee, and it must be sufficiently well grounded to pass the test of an appeal to the High Court of Justice.

It is thus more likely that not more than ten or so of this month's riot-makers will be expelled from the Land. They, however, would still constitute the largest group of expellees since the Six Day War. And, unlike former such groups, they would, by and large, represent the threat not of terrorism but of the blight of occupation.

The real question, then, is, what useful purpose can be served by an even limited resort to a sordid, 42-year old British mandatory ordinance which directly clashes with Israel's paper commitment to the humanitarian provisions of the Fourth Geneva Convention, and which makes something of a mockery of Israel's claim to be running a benign occupation. The answer, in all likelihood, is none whatever, except maybe in the very short run.

Deportations will create more problems than they will solve, helping rekindle rather than put out the fires of resistance in the territories. It may be convenient for the defence minister, Yitzhak Rabin, contradicting the chief-of-staff, Dan Shomron, to hold the PLO responsible for the recent disorders. But the evidence indicates that it was in the main not outside wire-pullers, nor outside terrorist agents, nor even the veteran local — such as campus — trouble-makers, who whipped up the riots, but previously unknown grassroots activists.

Even if the banished Palestinians turn out to be truly "big fish," their expulsion will not pacify the territories. Their places will easily be taken by "small fry." For it is resistance itself that has become a social badge of honour, especially in Gaza.

"It is true," as Gaza's venerable deposed mayor, Rashad Shawwa, has put it, "that a few people started this (recent spate of disorders). But if there wasn't fertile ground they wouldn't have met such a response. What should happen now is not to deport people. The government must seek a political solution."

What the government must do will not, however, do. With the Likud premier piously plumping for a directly negotiated peace of what would amount to Jordan's surrender of the territories *in toto* to Israel, and with Labour's defence minister following him but one step behind even while opposing wholesale annexation, the prospects for the resumption of movement towards a political solution any time soon are, to put it mildly, not very bright.

A woman's place

CAN IT BE that in Israel's 40th year Jewish women will be held ineligible, simply because they are women, to serve on a state body whose activities concern both sexes? Yes it can.

The dominant view in Jewish Orthodoxy to this day is that a woman's proper place is in her home, or behind a partition in the synagogue, but certainly not in politics. Although observant women of the Mizrahi movement have in fact been allowed to participate in religious Zionist politics, the Orthodox consensus has been that where politics impinges on areas of rabbinical authority, women must be turned away.

Oddly, the non-religious parties, too, have until very recently accepted this exclusionary rule as if it were handed down from Sinai. Thus Jewish women in Israel have been denied membership on religious councils and on rabbinical electoral boards which deal with religious matters but are state, not religious bodies.

Last year an observant woman in Yeroham created a countrywide stir by insisting on her right to be elected to the local religious council. Her challenge is yet to be settled by the High Court of Justice.

This year, two women members of the Tel Aviv city council, both Labourites, have scored another surprising first by offering their candidacies for a committee that is due to elect the city's new chief Ashkenazi rabbi. Their daring move has been excoriated by most rabbis as the ultimate indignity. No rabbi, the chief rabbinite vowed, would accept election by a board that included women. All the religious parties applauded.

For a brief while it appeared as though the Tel Aviv city council would rather have no new chief Ashkenazi rabbi, and make do with the incumbent Sephardi chief rabbi, than to bow to such rabbinic injunction. But it was not to be. Mayor Shlomo Lahat, a self-proclaimed liberal and a great believer in women's rights, chose to side with the rabbis when it was made clear to him that the Likud's political interest demanded it and that he could himself regain a prominent role in his erstwhile party if he went along.

This, fortunately, is not necessarily the end of the affair of the two defeated women candidates. The case may yet be taken to the High Court. But an interim judgment may already be entered. The true trouble stems not from the position of the rabbis, to which they are surely entitled. It stems from the kind of identification of the state with the synagogue that leads inevitably to the imposition of rabbinic edict on the mostly unwilling state and to political exploitation by unscrupulous non-religious parties.

As latest developments in the West Bank and Gaza make Americans more receptive to pro-Arab viewpoints:

Israel can no longer afford to be complacent

Wolf Blitzer

THE LATEST tensions in the West Bank and Gaza Strip have reinforced some important trends in the American Jewish and American Arab communities. Although it is still too early to draw any hard-and-fast conclusions, if the riots continue there could be some dramatic changes which would seriously affect the political scene and the shaping of U.S. Middle East policy.

Embarrassed by the widespread media image of the ugly Israeli. American Jews will almost automatically become less gung-ho in their pro-Israel political activity. No one, however, should expect a significant chunk of the Jewish community to completely turn against Israel. That will not happen. Israel is simply too much a part of the American Jewish psyche.

Some intellectuals and others will sign protest letters, aligning themselves with Peace Now-oriented groups in Israel. Other more establishment Jewish leaders will issue statements criticizing various Israeli policies. The rank and file, however, will continue to identify with Israel even as they grow confused and embarrassed by television and newspaper reports.

It is also likely that increasing numbers of influential American Jews will become passive. Instead of defending Israel, they will remain silent in the face of what they regard as unnecessarily harsh Israeli measures aimed at restoring law and order in the territories. It will be hard for them to support policies that they have a hard time even understanding.

IN THE American Arab community, the riots appear to have had an opposite effect. The demonstrations in the territories have become an increasing source of pride for American Arabs. They want to get more involved, many for the first time.

"I am so proud of what my Palestinian brothers and sisters are doing right now," an American citizen of Palestinian origin now living in Orlando, Florida, told me during a recent telephone conversation after hearing me discuss the current situation on the radio. "I can't tell you how excited I am. God bless them." His comments were typical of many others I have heard from American Arabs since this latest eruption in the territories.

Over the years, the pro-Arab lobby in Washington proved no match for the pro-Israel lobby which was better organized and financed, and more sophisticated and committed. Americans of Arab ancestry did not appear to have the same zest for political activity. They were also outnumbered. Even their traditional support from the oil companies, the huge engineering and construction firms with contracts in the Arab states, and the so-called professional "Arabists" in the diplomatic and academic communities did not overly help their cause.

Americans, by and large, identified with Israel, as reflected in the national public opinion surveys which showed lopsided support for Israel.

And within the American Arab community, serious splits between various groups further added to

their problems. The Lebanese Christians, for example, rarely agreed with the Palestinians or Syrians.

Their biggest handicap, of course, was Palestinian terrorism. Americans — even American Arabs — had a tough time justifying the planting of bombs in supermarkets or the hijacking of airliners.

But recently, groups such as the National Association of Arab Americans (NAAA) and the American Arab Anti-Discrimination Committee (ADC) have begun to make a modest impact on the politics of Washington. They have been especially active in trying to influence American blacks and the national news media, and they have scored some points in the process.

They still have a long way to go in catching up with the Jewish community. In recent weeks, for instance, nothing could be done to prevent the Congress from overwhelmingly voting in favour of legislation to shut down the PLO's offices in Washington and New York. The Reagan administration is now trying to figure out how to avoid closing the PLO's observer mission at the United Nations — the Washington office has already been shut down — despite the law mandating closure by the end of March. The State Department fears that closing the New York mission would violate U.S. treaty obligations to the UN as host country.

But even in the process of losing

that battle — at least temporarily — the pro-Arab groups have managed to win some sympathy. Editorials in *The New York Times*, *The Washington Post* and other major American newspapers strongly opposed the anti-PLO legislation. They argued in favour of freedom of speech. Even some liberal Jewish lawmakers, including Democratic Representative Barney Frank of Massachusetts, came to their defence.

American Arab spokesmen, led by former Democratic Senator James Abourezk of South Dakota and Dr. James Zogby, have managed to make their presence felt in Washington. Stories about the American Jewish community's drive to gain support for Israel have been coupled recently by similar stories about the American Arab community. Jewish spokesmen are quoted — but so are Arab spokesmen.

Abourezk and Hyman Bookbinder, the former Washington representative of the American Jewish Committee, recently published a book describing their positions on the Arab-Israeli conflict. They appeared together on several television programmes and at numerous forums around the country. Last week, Cable News Network aired a debate between Rabbi Marc Tanenbaum of the American Jewish Committee and David Saad of the NAAA.

IT IS MUCH too early to conclude whether these trends will radically alter the face of American politics. In the past, for example, there have been moments when the tide of public opinion appeared to be turning

against Israel; the war in Lebanon probably represented the low point in Israel's favourable image in the United States.

Anwar Sadat was also instrumental in improving the overall image of the Arab in America. He succeeded in charming the American public, demonstrating that the Arab-Israeli conflict was not completely black and white.

But almost inevitably, whenever the Arabs managed to gain some new ground in the United States, the PLO or one of its splinter groups would commit some terrorist outrage which would overnight reinforce the negative stereotype of the Arab. The same could occur now.

How all of this will affect the U.S. presidential elections remains to be seen. Will the candidates adopt less pro-Israel stands than their predecessors? Probably not. With the singular exception of the Rev. Jesse Jackson on the Democratic side, all of the other major candidates are actively courting the pro-Israel community. American politicians have a hard time breaking habits.

But Israeli leaders should be alert to the long-term effects. Israel is simply too dependent on the U.S. for economic, military and political support to simply assume that the American government — and even the American Jewish community — will steadfastly and automatically remain in its corner no matter what. Such wishful thinking is not only unfounded; it is dangerous.

The writer, The Post's Washington Correspondent, is currently in Israel.

READERS' LETTERS

BUDGET CUTS

To the Editor of The Jerusalem Post

Sir, — In Hebrew, they say "ovdim aleinu." In polite English, the best you can say is, "we are being had!" I am referring to the latest revelations about the way in which Shas is abusing, albeit in a way which may be technically legal, its position of power in the interior ministry to finance its institutions and thus build its empire. Eli Landau, mayor of Herzliya, revealed the story (December 16) and it was frightening. How much money has gone into building El Hama'ayan which serves a purpose which some of us might not call positive? There are now hundreds of branches of this organization which leads people toward extreme, even fanatic, positions in religion and all of them exist because of public funds.

At the same time that public funds are going to the coffers of Shas, and the same can be said of other projects and other parties, we are being told that the government must cut its budget, that we must reduce funds for the state educational system, that we must cut down on health services, that we must eliminate social welfare

programmes, that we must cut down on old-age pensions. What is this? Are we talking about two separate governments, one of which has money for all kinds of worthless projects, and the other which has nothing for the very services which make us a Jewish State in the sense of a humane, decent state which cares for people? How is it that the treasury can withhold payments for all kinds of projects it does not want and permit funds to go to projects which are as dubious as the above-mentioned ones? Is this the price of coalition agreements?

If so, the price is too high. We must be able to control all the expenditures of the government, and not permit individual departments to go off on their own while others suffer. If there must be cuts in governmental services for the good of the public, at the very least we have the right to demand that this not be done until aid to these unnecessary projects has been eliminated. Until then, let us hear no more talk about what we cannot afford.

REUVEN HAMMER
Jerusalem.

PRESIDENTIAL BUDGET

To the Editor of The Jerusalem Post

Sir, — Your front-page headline and story of December 18 "Herzog holds record for overspending," is incorrect and misleading.

The presidency's budget does not include any allocation for travelling expenses. A decision by the government concerning a trip by the president carries automatically an approval for the budget required. However, since the sum is not included in the budget it has to be formally approved by the Knesset Finance Committee.

This also applies to unforeseen expenses such as those covered by the same approval of the finance committee. These included, for example, repairs of the roof of the president's residence; security arrangements which were decided upon by the appropriate authorities; or replacement of the telephone exchange of a type which is no longer in

government use and which is out of commission.

Thus, there is no call for the allegations that there has been a case of "over-spending." In every case, appropriate approval of the expenditure had been given in advance. This is a normal procedure with respect to non-recurring items.

With regard to travel abroad, it should be noted that until 1985, no President of Israel was ever invited on a state visit to any country in Europe or North America. The president's trips are usually initiated by the host country and decided upon by the government. Moreover, the current presidency includes celebrations of the 40th anniversary of the Allied victory in World War II and the 40th anniversary of the State of Israel.

AMI GLUSKA,
Spokesman,
Office of the President
Jerusalem.

MONGOOSSES

To the Editor of The Jerusalem Post

Sir, — I was delighted by D'vora Ben Shaul's article of December 18 on mongooses. Her articles are always witty and informative. This one interested me especially because of the following occurrence.

I was recently on my balcony at 6:30 in the morning when I saw three mongooses, one large, proba-

bly the mother, and two smaller ones dash across the garden. They were well-formed, glossy and beautiful animals. I had previously seen one animal in the garden, but at rare intervals. So maybe there is a "population explosion" of mongooses in Abuza, too.

DORIS HASSON
Haifa.

DECLINE OF EDUCATION

To the Editor of The Jerusalem Post

Sir, — We have witnessed a steady deterioration of the level of our educational system on all levels due to the "successful" cutting of the budget earmarked for education. Now, we seem to have reached the bottom in education. It is hardly imaginable that our schools can deteriorate further.

Those who succeed in reaching university do so with the help of "grey education," i.e. courses and private tuition on a hitherto unknown scale. Parents pay considerable sums already in the early stages in order to provide required teaching, and high schools keep their students busy by having them taught in the afternoons. The subjects for which even gifted pupils do not rely on school are numerous — mathematics, Hebrew language, English, French, Arabic, chemistry are the main weaknesses, not due to the pupil's inability to learn, but to the low quality of teaching that often prevails. Also, the teachers are sullen and vent their frustration on their pupils. They feel that they are being humiliated by the ridiculous salaries offered.

As to Mr. Navon's declaration that he would resign if fees are collected at high school level — I can only say: so what? He has done nothing to introduce the overdue changes in the system; on the contrary, he has watched without doing anything as things went from bad to worse. Whom is he threatening? What needs to be done is to give up putting one patch after the other on a syllabus that is basically outdated and does not serve the needs of our days. Nor does it help to fight private schools, as the ministry does. They are not the cause but the consequence of the neglect of education in the Jewish State which should know the history of the Jewish people and

the strength the Jews have always derived from knowledge and professional training.

Apart from poorly motivated and trained teachers, who are after all the product of negative selection except for a few idealists, there is a lack of continuity in education. Each unit — elementary, junior high and secondary education — disregards the other. This is worst in regard to university.

Teachers should be supported in their demand for adequate salaries and pupils and their parents, instead of complaining, should demonstrate in front of the Knesset whose members set an example when it comes to knowing on which side their bread is buttered.

In return, inspection must be made effective and bad teachers must be fired. Today the inspector is helpless, having neither the right to hire nor to fire. Since a good teacher gets just as much (or, more precisely) as little as the worst teacher, motivation is throttled systematically.

Teachers should also be handed strict instructions as to what they may or may not do. For example, marks are given bearing in mind minor offences such as speaking in the lesson. There should be guidelines that state unequivocally what is permitted and what is not. Incidentally, bearing in mind the absence of all criteria for the so-called *tsiyun magen* (protective grade?) given by the teacher, it had better be abolished since demands vary so dramatically from one school to another.

It is time we tackled the educational problems. An improvement in the sphere of education will benefit Israeli society in all regards and may reduce emigration and encourage immigration.

LISA LEVENBERG
Tel Aviv.

ORCHESTRA REHEARSALS

To the Editor of The Jerusalem Post

Sir, — I recently returned from a visit to Israel. Through the courtesy of an Israeli friend, who is a patron of the IPO, I had the good fortune to attend two rehearsals of the orchestra under the baton of Maestro Zubin Mehta on two consecutive Sunday mornings at the Mann Auditorium.

I have visited Israel many times and have always battled, sometimes unsuccessfully, to procure tickets for the concerts.

Is it not feasible to allow visitors to

Israel to purchase tickets at a fair price to attend the rehearsals, thereby affording them a wonderful opportunity to hear the orchestra? On both occasions that I went, there were not many people present and by admitting an additional 1,000 or more people, an added source of income could be provided and visitors could experience two to three hours of joy and excitement and thereby enhance their time spent in Israel.

Dr. H.B. DAVIDSON
Durban, South Africa.

CLOUD-CUCKOOLAND

To the Editor of The Jerusalem Post

Sir, — I have been a faithful reader of *The Jerusalem Post* for the past 47 years. I am glad to note the improvement of the paper lately in all the domains. I also appreciate the new rubric called *The morning after*.

I especially appreciated Yehuda Litali's article of December 18, "A nation living in cloud-cuckooland." He gives a very accurate analysis, a clear picture of the situation we are facing with the Arabs, not taking any special political position, but stating facts as they are.

EVA ANGEL
Jerusalem.

Sir, — In an otherwise interesting, perceptive and enlightening article ("A nation living in cloud-cuckooland"), Yehuda Litali makes one error of comparison. While it is true that the British oppressed many peoples during empire days, to compare the present situation in Northern Ireland to that in Gaza, the West Bank, Soweto or Afghanistan is to devalue his point.

Of these examples, Northern Ireland is the only one where troops are being used to protect a majority of the population with their democratic, expressed consent. If it were similarly true that the majority in Gaza or the West Bank welcomed the "protection" of IDF units while only a minority was outraged, the Israel-Palestine problem would be significantly less acute. This is undoubtedly not the case.

To complain about distortion in the foreign media coverage of recent events in the territories while misleading readers about events in those same foreign countries is highly damaging to a journalist's credibility.

NEIL B. HARRIS
Kibbutz Ramat Hashofet.



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